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USD 64.11 | EUR 75.28 | GBP 84.67 | JPY 0.58

Cotton Market (1/08/2017)

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

Rs./Bale	Rs./Candy	USD Cent/lb
19911	41650	**82.57**

Domestic Futures Price (Ex. Gin), July

Rs./Bale	Rs./Candy	USD Cent/lb
20390	42651	**84.56**

International Futures Price

NY ICE USD Cents/lb (Dec 2017)	68.86
ZCE Cotton: Yuan/MT (Sept 2017)	14,650
ZCE Cotton: USD Cents/lb	**83.69**
Cotlook A Index – Physical	**84.90**

Cotton & currency guide: Cotton was steady on Monday to settle the December future at 68.86 cents up by only 6 points. The month July has also ended with only 26 points higher than the previous months close.

Broadly cotton has been moving in the range of 300 points for the past few months. The band is 66.00 to 69.00 cents/lbs.

We believe unless market close above 69 cents convincingly the scenario wouldn't turn completely positive. For the day ICE December to trade in the range of 68.30 to 69.40 cents/lbs.

Coming to domestic market Shankar 6 traded steady Rs. 42750 TO 42800 per candy ex-gin.

With the excessive rainfall in Gujarat region in past few weeks has made severe crop loss while condition is somewhat dry in the region since over this weekend.

However overall picture is largely excess rainfall in Gujarat region as per Indian Meteorological Department (IMD).

From the future front the most active October that was steady during day session had moved up with the positive trend of ICE cotton. From the technical perspective we expect it to trade in the range of 18600 to 18270 per bale.

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

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INTERNATIONAL NEWS

Vietnamese textile sector attracts FDI of more than $750mn in H1

The Vietnamese textile and apparel industry in the first six months of 2017 attracted foreign direct investment (FDI) of more than $750 million, despite a reduced number of FDI projects in recent years and the US withdrawal from the Trans-Pacific Partnership (TPP) last January. At the moment, Vietnamese textile and apparel products account for a mere 3 percent of the EU market.

Except for the notable $220 million Chinese investment in a polyester synthetic fibre plant in the southern province of Tay Ninh, capital flows comprise mostly capital expansion investments in existing projects.

According to the Vietnam Textile and Apparel Association (VITAS), the southern provinces of Dong Nai and Binh Duong attracted the two projects with the largest investment capital increase in the textile industry in 2017.

In Binh Duong, Taiwan's Far Eastern Group raised its investment capital by $485.8 million in its polyester and synthetic fibre production project, Far Eastern Polytex (Vietnam) Ltd. The project was initiated in June 2015 with a registered investment capital of $274 million. This capital push makes the project one of the biggest to be certified in 2017 and will push the total registered investment to about $760 million.

In the northern province of Bac Ninh, Samsung Display Vietnam registered a $2.5 billion capital increase in its projects. Taiwan's Tainan Spinning Company Ltd, also increased its investment capital by $50 million in Long Thai Tu Spinning Factory at Long Khanh Industrial Zone in Dong Nai.

Tainan Spinning began constructing the Long Thai Tu Spinning Factory-Phase 2 at Nhon Trach 2 Industrial Zone in Dong Nai before the capital raise. The project, consisting of a main factory, four finished product warehouses, a garage for workers, and other auxiliary structures, began operation in 2016 end. The company plans to build its factories in Vietnam to take advantage of the country's existing export markets.

According to VITAS vice chairman Le Tien Truong, textile projects attracting foreign capital after the United States withdrew from the TPP is a sign of conducive investment environment. The country's textile and apparel industry still benefits from a number of free trade agreement, such as the Vietnam-EU FTA, the Vietnam-South Korea FTA, and the Vietnam-Japan FTA.

The value of garment and textile exports in Vietnam, one of the largest textile exporters in Asia, has increased 3.6 times in the last decade, from $7.78 billion in 2007 to $28.02 in 2016, accounting for 16 per cent of total export turnover. The industry is expected to grow by 7 percent in 2017, reaching $30 billion in total export value.

FDI in the last decade has helped the country turn one of the five largest textile and apparel exporters in the world. Vietnam has become an ideal destination for investors in the textile industry due to its competitive labour costs and preferential policies.

Source: yarnsandfibers.com- Aug 01, 2017

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Indonesia see chance to collaborate in textile, value added products in Pakistan

The three-member high level delegation from Indonesia including Indonesian Ambassador Iwan Suyudhie Amri during their visit at the Punjab Board of Investment and Trade (PBIT) on Monday was given a brief introduction of Punjab by PBIT CEO Jahanzeb Burana.

Burana showed documentaries regarding investment opportunities in Punjab in various sectors and highlighted ways for exploiting the investment potential in the country. They see a possible chance to collaborate in the fields of textile and value-added products.

He emphasised the increasing capacity of economic cooperation between the two countries and said that Pakistan and Indonesia should enter into joint ventures for sustainable development and economic progress.

The PBIT CEO was of the view that there was a wide opportunity for Indonesia to take interest in the Special Economic Zones being developed in Punjab.

Speaking on the occasion, the Indonesian ambassador, while praising the presentation on Punjab, said that they would showcase the documentaries in Indonesia as well.

The envoy acknowledged the Punjab government's initiatives to make the environment investment-friendly.

They look forward to working closely in the years ahead to promote even stronger economic ties between Indonesia and Pakistan.

Source: yarnsandfibers.com- Aug 01, 2017

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China: How will cotton yarn market fare if cotton auction extended?

According to the announcement released by National Development and Reform Commission and Ministry of Finance on Nov 22 2016, China state cotton auction would kick off from Mar 6, 2017 and tentatively end in end Aug, 2017.

Besides, the release of reserved Xinjiang cotton was said to increase. According to recent reserved cotton sales, most market players considered that the state cotton auction might extend, but no official news are seen by now.

Impacted by this news, trading of cotton yarn turned thinner and price slipped on plunging cotton futures. Cotton yarn mills in Nantong were more sensitive to this news than other markets, and price of cotton yarn for home textile dipped by around 200yuan/mt within one week after the news emerged there. Spinners in other markets were not as sensitive as those in Nantong, but price of cotton yarn was also successively revised down.

Quality cotton yarn and open-end cotton yarn plants were active in sustaining firm price. Quality cotton yarn manufacturers expected the prolong of cotton auction and the increase auction volume of Xinjiang cotton may not affect supply of quality cotton, especially cotton available for the production of bleachable or high-count cotton yarn greatly.

It was known that supply of quality XPCC cotton remained tight, and sales of bleachable cotton yarn were moderate. Therefore, spinners were unwilling to slash price, coupled with low stocks of finished goods. As for open-end cotton yarn plants, they did not cut price when feedstock like combed noil kept strong after the production and sales of waste cotton and imports of waste cotton were restricted in China and sales of open-end cotton yarn were tolerable.

How will cotton yarn market move in later period?

Cotton stocks were slanting high in cotton yarn plants, mainly around 1-2 month in medium-sized spinners.

Cotton yarn plants showed obviously higher buying interest in cotton in Jul compared with Jun, worrying cotton supply to be tight in Sep when cotton auction ended and new cotton supply being shortage and expecting cotton price to rise at that time.

If cotton auction is extended and the release of Xinjiang cotton increased, above worries of spinners will not exist as cotton price lacks upward momentum. Thus, cotton yarn plants show lower buying intension in cotton with ample cotton stocks, expecting cotton price to slip. Spinners are more likely to replenish cotton under hand-to-mouth approach later, which may exert pressure on cotton price.

Operating rate of cotton yarn and cotton grey fabric plants apparently dropped amid scant orders and heat weather. Some cotton yarn plants turned to two shifts from three shifts, and some directly shut down for holiday temporarily.

More weavers scaled down or suspended production, affecting demand for cotton yarn, and most weavers anticipated cotton yarn price to fall later. Coupled with the unclear cotton policy, weavers' enthusiasm in cotton yarn became much lower.

Many cotton traders cut price by around 100-200yuan/mt under bearish streak and would not slash price much later as promotion may not stimulate sales substantially. Cotton cost may not change much during the beginning of new crop year, and the new cotton price is unlikely to be low.

Sep is traditional peak season in textile industry, and downstream demand may improve, supportive to cotton yarn price. Cotton price is not supposed to drop much in short run, more likely to keep inching down. Cotton yarn plants have seen shrinking profit and some have been under losses; thus, price of cotton yarn is likely to follow downtrend on cotton market, but the decrement may be bigger than that of cotton, expected to slip by around 500yuan/mt in Aug.

All in all, cotton stocks are ample now in cotton yarn plants, and spinners may be inactive in replenishing cotton in short run, more likely to purchase on a need-to-basis. Price of cotton yarn is expected to slip further when more downstream plants shut down for holiday temporarily, but decrement may be limited, mainly within 500yuan/mt in Aug.

Source: ccfgroup.com- Aug 01, 2017

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Textile Market, a Dying Industry in Saudi Arabia?

Economic recession has led 35 percent of textile merchants to shut down their business and leave the market, and 65 percent of them had to sell off their products on discounts reaching up to 70 percent.

Jeddah Chamber of Commerce and Industry Textile and Ready-To-Wear Business Committee Head Mohammad Al-Shihry said textile merchants are facing a difficult time at the moment.

“Landlords have increased the rents by 100 percent in some cases and customers are moving away from the textile market and moving into ready-to-wear attire.

Merchants are providing great discounts and I encourage customers to buy textiles as they are being sold at a very cheap prices,” said Al-Shihry.

He added merchants are competing in offering discounts to ensure that customers buy from them. “Discounts have reached 70 percent, especially with men’s textile market due to the high demand of thobes (white garment worn by Arab men).

Sales for evening gowns textiles have reached 60 percent. Sales for abaya textiles (black garment worn by Arab women) have reached 50 percent," said Al-Shihry.

He added recession has hit the textile market by 50 percent. "Stores in shopping centers offer more discounts than shops in open markets during Ramadan.

Official authorities should interfere to ensure justice in the market. Many of the textile merchants run small and medium enterprises and have taken loans from banks expecting the profit to reach 50 percent. But with the raised rent prices they are barely able to run their business," said Al-Shihry.

Textile merchant Abdullah Batarfi said ready-to-wear clothing businesses affected the textile market by 40 percent. "People are buying brands nowadays and textile markets are abandoned. That is why textile merchants are selling off their products under great discounts. 15 percent of textile shops were shut down," said Batarfi.

Salem Hasan Al-Ammari and Sons Co. Textile Department Head Waleed Al-Ammari said the international economic recession is the reason why the textile market is having difficulty in sales.

"The most sold products are for men more than women recently because there hasn't been many women occasions. The most sold women product is fabric for abayas.

The most bought fabric for abayas is the Japanese fabric which is sold at SR30 to SR50 a meter. The second most popular abaya fabric is the Korean fabric priced at SR9 to SR15 a meter. Then comes the Indonesia, Indian and finally the Pakistani fabric," said Al-Ammari.

Source: albawaba.com - Aug 01, 2017

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Walmart presents roadmap to renew US manufacturing

Walmart has presented a Policy Roadmap to Renew US Manufacturing in meeting with individuals and groups representing government, business, and non-governmental organisations from across the country. There was a discussion on the current challenges and opportunities in the manufacturing sector as well as case studies of collaboration among key stakeholders.

"As we've worked over the last four years alongside our suppliers toward our goal to source an additional $250 billion in products that support American jobs, we've learned a great deal about the challenges our suppliers face in domestic manufacturing," said Cindi Marsiglio, Walmart vice president for US Sourcing and Manufacturing. "The good news is we've also learned how to overcome the challenges and, because of our experience, Walmart is uniquely positioned to help facilitate broad engagement in accelerating the expansion of US manufacturing."

According to analysis conducted by The Boston Consulting Group (BCG), decreasing policy barriers to domestic manufacturing creates an opportunity to recapture approximately $300 billion in consumer goods that are currently imported, including furniture, cookware, and sporting goods, potentially resulting in the creation of an estimated 1.5 million American jobs. The analysis, which laid the foundation for the policy roadmap, leveraged BCG's expertise in economic policy and manufacturing along with Walmart's sourcing data and included interviews with merchants, suppliers, and other policy experts.

Walmart's Policy Roadmap to Renew US Manufacturing offers a comprehensive approach to tackling the major barriers that keep companies from manufacturing more consumer goods in the United States. The roadmap identifies the highest impact policy barriers as workforce, coordination and financing, regulation, and tax and trade, and proposes specific policies that have the potential to effectively accelerate and grow US manufacturing.

"Enhancing US manufacturing is a top priority of mine," said US Representative Tom Reed, who serves as co-chair of the House Manufacturing Caucus.

"Manufacturing is an advancing field where new technologies will open doors to job creation and economic growth. We must work together to remove barriers so that we are more competitive and good paying jobs are once again created right here in the United States."

The roadmap details 10 concrete policy actions that can be taken to address these barriers and goes a step further to suggest the appropriate entities, including federal, state, and local governments, manufacturers, and businesses, that must collaborate on those policy actions to affect meaningful change that will unlock greater growth and job creation in domestic manufacturing of consumer goods.

"It's important to note that there is no silver bullet that will solve the problem on its own. The barriers to domestic manufacturing are just too broad and too complex," said Dustin Burke, a partner in BCG's manufacturing practice.

"The purpose of Walmart's Policy Roadmap to Renew US Manufacturing is to provide a framework for collaboration among key stakeholders and highlight 10 actionable policy levers that, taken together, can help strengthen US manufacturing and significantly reduce long-term unemployment."

Source: fibre2fashion.com- Aug 01, 2017

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Pakistan: Official expresses concern over high trade deficit

Pakistan's trade deficit reached a record level of $30 billion in 2016-17, demonstrating a jump of 42% compared to the last financial year. Exports have declined by 3% to $18.5 billion while imports have gone up by 21% to $48.5 billion.

"This decline is disconcerting, since our country has never faced imports being two-and-a-half times as much as current exports," said All Pakistan Business Forum (APBF) President Ibrahim Qureshi, expressing concern over the worrying numbers.

"Pakistan faces this unprecedented trade deficit despite the prevalence of low international prices of our biggest import; oil."

A number of reasons can be attributed to the drastic drop in exports, which includes structural factors and erroneous policies.

Unlike the Middle East or East Asia, Pakistan has followed a traditional policy of import substitution rather than export promotion. Therefore, little emphasis has been given on broadening exports that have remained over-reliant on textiles.

Exports of cloth, cotton yarn and value-added textiles make up to almost 60% of our total exports.

"The economic charts of Pakistan stand on an unsatisfactory level at the moment. I urge the government and policymakers to encourage private sectors to play their roles in putting the economy back on the right track," Qureshi added.

"We should fully avail the opportunities created due to the worldly chain of events, such as the global decline in oil prices and the China-Pakistan Economic Corridor."

Source: tribune.com.pk - Aug 01, 2017

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Egypt's cotton industry gets $1.72 million fund boost

Egypt's Ministry of Trade and Industry has signed a cooperation protocol with United Nations Industrial Development Organization (UNIDO) and the Italian Development Cooperation.

The ministry says the two-year $1.72 million project aims to increase the added value of Egypt's long and extra-long staple cotton, improve the performance of cotton farmers and producers, and maximize the role of institutions supporting cotton production.

The development comes as Africa gets renewed attention as a textile and apparel sourcing region after years of what the industry saw as untapped potential and the 2015 renewal of AGOA, the African Growth & Opportunity Act U.S. trade preference program for 10 years.

According the Commerce Department's Office of Textiles & Apparel Egyptian cotton is prized for its premium extra-long staple fibre, production and exports have been on the decline. Textile and apparel imports into the US from Egypt were worth $363.38 million for the first five months of the year.

The project will be implemented over two years and will include building the capacity of 400 cotton farmers and 15 private companies in the textile business, improving the skills of 300 workers and offering training programs for 300 technical students.

This month, the US Agency for International Development East Africa Trade and Investment Hub signed a grant with Kenya to create 2,000 full-time jobs and provide more than 100,000 hours in skills development for young workers in the apparel industry.

According to USAID the signing of the grant also marked the kick-off of East Africa Cotton, Textile and Apparel Workforce Development Initiative, a partnership between the Hub and the American Apparel & Footwear Association to ensure U.S. brands and retailers goods are manufactured in accordance with "best business practices and operations" in East Africa.

Source: fashionatingworld.com - Aug 01, 2017

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Global Growth Depends on China's Debt

Can China continue muddling through? The world should hope so.

China's debt surge shows what's working for the global economy and what could go badly wrong.

Without the country's massive stimulus in 2008, one of the catalysts of the credit binge that's lately causing so much angst, the world would have taken much longer to recover from the financial crisis. And it's likely that the revival we're now witnessing would have been weaker, with less scope for future acceleration.

Growth in the world's major economies has been the subject of a lot of criticism as it is; imagine how much worse it could have been. Now, that maligned recovery is in its eighth year and, according to the International Monetary Fund, is looking like it's on a firmer footing.

China's debt binge is an important reason why. Pump priming has not only kept China growing in the 6.5 percent to 7 percent range; it's kept a floor under the global economy while the U.S. seems stuck around 2 percent. The IMF moved up its forecast for China this year, citing "continued fiscal support." Next year also earned an upgrade, mostly reflecting "an expectation that authorities will delay the needed fiscal adjustment."

But the IMF also cites China's debt as a major threat: Failure to tackle the problem is one of the biggest risks to the outlook over the medium term. An inability to get to grips could result in a sharp slowdown that would ricochet throughout the world.

So there you have it. The stimulus and fiscal expansion that's kept China's economy chugging away despite the doomsayers is cause for both thanks and concern. You can't chastise a country for high levels of debt without acknowledging its role in supporting the global economy.

It's also worth noting that the China bears who have been criticizing the debt binge have been mostly wide of the mark. It feels like we've swung from unbridled optimism about China's growth to excessive pessimism. In 2015 and 2016, market gyrations were going to bring the place undone. Then the numbers were "fake" or "made-up."

You didn't hear so much of that when gross domestic product was clocking gains of as much as 15 percent.

There was even whining when services began accounting for more than half of China's GDP. It's only a shift that had been advocated by pretty much every economic communique and finance minister in the world. But, no, more important was whether GDP growth was 6.5 percent or 6.7 percent, versus economists' forecasts of, say, 6.6 percent.

Given China's record at muddling through, it might be worth projecting growth at about the current pace. Sometimes it may be closer to 7 percent, other times closer to 6.5 percent, but in the ballpark. Coupled with the continued march of the services sector and household consumption, that's not a bad brew: See Starbucks Corp.'s beefed-up expansion plans unveiled last week.

And Chinese officials appear well aware of the dangers. They've lately been invoking "gray rhinos": very conceivable, high-impact threats that people should plainly see coming but often fail to prepare for. Wang Zhijun, a finance official, enumerated a few of them last week, including property bubbles, shadow banking, heavily indebted state-owned enterprises and illegal fundraising.

If China does keep muddling through -- and the U.S., Europe and Japan broadly stay on their current growth trajectory -- it's a fair bet that the global expansion will continue at between 3 percent and 4 percent a year. On the face of it, that range doesn't seem so hot. But it's consistent with the average since 1980, and, looking back, there were some pretty good years in there.

Bigger question: Can we get back to the scorching rates of 5-percent-plus the world witnessed in the few years before the 2008 cataclysm? Do we even want to, knowing what followed?

China's debt expansion -- and efforts to control it -- might well hold the key. In either direction. We may again be grateful to China.

Source: bloomberg.com - Aug 02, 2017

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Bangladesh port capacity hinders exports

Bangladesh's readymade garment industry is concerned over the congestion at Chittagong port. Feeder vessels are leaving the port without using their full capacity. This port handles around 80 per cent of the country's total apparel exports.

Delivery of imported raw materials from the port is delayed. This makes it difficult to produce and ship products on time. It takes 15 to 20 days for un-stuffing the LCL (Less than Container Load) containers from ships while berthing of vessels is being delayed by seven or eight days.

So it becomes necessary for the apparel sector to make costly air shipments mainly to meet lead times. Many feeder vessels miss mother vessels due to the slow pace of loading and unloading. Before the war of liberation there were 13 jetties at the port. But only seven jetties have been added in the last 46 years.

Businessmen have been pressing for enhancing the capacity of the port through installing more jetties and yards and increasing handling equipment. Since 2004, the capacity of the port has not been enhanced though export and import activities have increased significantly. For now, the industry is losing work orders as delivery of samples is taking time due to the congestion.

Source: fashionatingworld.com - Aug 01, 2017

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Low cost Ethiopia attracts investments in apparel sector

Ethiopia is fast developing into a dynamic apparel sourcing hub. China, South Korea, India and other countries have opened new plants in the nation, while a growing number of European and US brands are sourcing garments.

As a part of its drive to lift the country to middle-income status by 2025, the country has been building industrial parks. The newest is Hawassa Industrial Park.

Among the 15 companies with factories there is PVH, a US apparel company. PVH's 280 employees produce garments for a number of international brands, including Calvin Klein.

Ethiopia's low labor costs make it an attractive garment sourcing destination. The country's young, cheap workers give it the potential to grow into a major garment hub.

Another factor in the country's favor is its fast developing infrastructure. Ethiopia used to depend heavily on trucking, hindering its transition to a more export-oriented economy. But the railway connecting Addis Ababa to Djibouti will help solve this problem.

At present, most companies investing in Ethiopia are apparel makers and other light industry manufacturers. But General Electric plans to make medical equipment in the country, and Samsung is working with a local partner to produce printers. Hyundai will build a commercial vehicle assembly plant.

Source: fashionatingworld.com - Aug 01, 2017

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NATIONAL NEWS

Textile companies fear losing out to Chinese imports

The textile industry, which suffered a sales decline of up to 50%, is slowly getting back to normalcy as the new tax regime completes one month of implementation on Tuesday.

Industry players, however, warned that if the government does not raise duties to restrict imports, the trade would be massively hit by cheap fabric imports from China in next few months.

Strike in Surat and Ahmedabad, key centres of textile industry in the country, had crippled the industry , which is second largest employment generator after agriculture.

"Ahmedabad is the biggest market of synthetic T fabric in the country and fabric in the country and the long strike there had severely impacted the industry ," said J Thulsaidharn, chairman of Southern India Mills Association. "However, the si tuation is normalising at a fast pace now".

The disturbed industry value chain led to a fall in business. "The consumer product sales were down by 50% in July," said Vijay Puniyani, senior vice present at Vardhaman Textiles.

Suresh Mehta, president of Clothing Manufacturers Association of India, said clothing sales were down by 10-15% in July as the companies are not yet ready and their IT systems not geared up for the change in the tax regime.

However, the dip in July sales of clothing over previous year is also linked to sales season starting in June instead of July, industry sources said.

Though the industry is hopeful of adjusting to the new tax regime, it is more concerned about the bigger threat of imports becoming cheaper under GST (Goods and Services Tax) regime.

"There is threat of substantial increase in import of fabric from China as imports have become cheaper by 6% to 8%," said Mehta.

Puniyani of Vardhaman Textiles pointed out that before GST, the domestic industry was protected from imports with customs duty and countervailing duty and some other taxes that totalled to about 15%. “However, now all these taxes will be passed on to the consumer,“ he said.

Thulsaidharn of Southern India Mills Association said, “With 18% GST on synthetic yarn, there is very narrow difference in the domestic yarn and synthetic yarn”.

Spinning and weaving industry also fears that yarn and fabric from countries such as Indonesia and China, will be dumped in the country after being routed through Bangladesh.

Source: economictimes.com- Aug 01, 2017

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GST: Government gives interim relief to garment, made ups exporters till September 30

Exporters of garments and made ups like bedsheets and towels will continue to get rebate on certain state levies for three more months as in the pre-Goods and Services Tax (GST) regime.

Government on Tuesday announced a "transitional arrangement" wherein garments and made ups exporters can claim Remission of State Levies (ROSL) at the rates prior to introduction of GST till September 30.

The scheme aims at making exports competitive in the international market as exporters of made ups get incentives of 3.9 per cent of the value of exported goods.

The government in June had slashed the rates under the RoSL Scheme on export of garments and textile made-up articles to 0.39 per cent to be effective from July 1 from 3.9 per cent earlier causing a furore in the two sectors.

However, Tuesday's announcement will allow exporters the old incentive of 3.9 per cent till September 30.

The special scheme for remission of state levies for three years was part of the Rs 6,000 crore package that the government had approved in June last year for employment generation and promotion of exports in the textile and apparel sector.

Source: economictimes.com- Aug 01, 2017

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Traditional handloom weaving methods revived

Seven-day national exhibition begins in city

Traditional handloom weavers in the State have received a new lease of life with the State government coming up with new initiatives to safeguard their livelihood.

A number of these weavers have visited the seven-day national handloom expo that began in the city on Tuesday.

Handlooms and Textiles Minister O.S.Manian inaugurated the expo at Kalaivanar Arangam in the presence of Textiles Secretary K.Phanindra Reddy and Co-optex Managing Director T.N.Venkatesh on Tuesday.

"The government has taken initiatives to safeguard the livelihood of traditional weavers," said Mr.Manian.

Co-optex Managing Director T.N.Venkatesh said about 15 weavers' families in Sungudi, 40 in Thiruvannamalai, 50 in Karaikudi, 25 in Mayiladuthurai and 15 in Tirunelveli have revived the ancient handloom methods, producing good quality sarees.

The products have been branded as 'revival sarees.'

"Sungudi cotton sarees are hand crafted to perfection by skilled artisans of Madurai with ringed dots spread throughout the saree which forms a distinct feature. The craft has a tradition of 500 years. The government has supported such artisans, equipping them to produce the sarees with modern contemporary designs by wax printing method using wooden blocks," said K.R. Ramkumar, one of the managers of a cooperative society.

“Koorainadu sarees are produced in Koorainadu, a traditional handloom weaving centre near Mayiladudhurai. The sarees have the quality of pure silk. The uniqueness of the saree is its light weight and pin checked patterns,” said C.Raman, another weaver.

Chettinadu cotton sarees produced by weavers of Karaikudi in Sivagangai District and puthinam cotton sarees produced by the skilled weavers in Paramakudi have also been exhibited at the expo.

Tamil Nadu has 2.56 lakh weavers and 1156 cooperative societies.

Source: thehindu.com- Aug 02, 2017

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Weavers reel under post-GST hike in yarn prices

A post Goods and Services Tax (GST) hike in prices of fully drawn yarn (FDY) and partially oriented yarn (POY) by 5-7% has sent the synthetic textile weaving industry reeling under margin pressures.

The price hike has been caused by rising raw material prices such as purified terephthalic acid (PTA) and monoethylene glycol (MEG) which have spiked on the back of rising crude prices.

FULLY DRAWN YARN PRICES (₹/Kg)

Denier/Type	Pre-GST	Post-GST	% change
75/72 FDY	95	101	6.0
70/36 FDY	98	105	7.0
50/24 FDY	105	112	6.0
80/72 Roto	114	120	5.0
50/36 BRY	132	140	6.0
62 Crimp	120	125	4.0
Sizing 75/72	120	129	7.5

Source: Industry

However, at a time when several weavers, processors and traders are yet to register under GST, along with lack of clarity over accumulated duty credit and the reverse charge mechanism (RCM), decentralised powerlooms and textile processing units are finding it tough to sustain under rising input costs.

"There is still uncertainty in the industry since registration process is still going on. Weavers, processors and traders are not in the position to buy or sell.

At such a time, a price hike in raw materials is having a significant impact on our input costs as well as margins," said Ashish Gujarati, president of Pandesara Weavers' Association in Surat.

Unlike the pre-GST prices, the post-GST ones will see an additional 18 per cent levy on powerlooms and processors, which the latter have to claim through input tax credit.

However, on account of excess input credit accumulation and the RCM, due to lack of registered job workers in the value chain, powerlooms and processors have to bear the additional cost themselves. Hence, a Rs 2 per kg hike in yarn prices will attract an additional 18% tax, which for now might not be got back through input credit.

Prices of yarn in different variants of denier have risen in the recent past. For instance, while the 75/72 denier FDY has seen prices rise by six per cent from a pre-GST Rs 95 per kg to Rs 101 per kg, that for 70/36 FDY has risen by seven per cent, up from Rs 98 per kg to Rs 105 per kg. Prices for 80/72 Roto, 50/24 FDY, and 50/36 BRY have risen by five, six and six per cent, respectively, to Rs 120 per kg, Rs 112 per kg and Rs 140 per kg.

"What spinners have done is that as the market opened after a lull due to GST implementation, they have taken advantage of the buzz in demand by hiking the prices. This is profiteering," Gujarati said.

However, say yarn manufacturers, prices have risen on account of rising crude oil prices, as explained earlier, and have been seasonal. "It is a periodic exercise yarn makers engage in from time to time. It is not related to a post-GST market scenario," said O P Lohia, chairman of Indo Rama Synthetics, a leading synthetic yarn maker.

Source: business-standard.com- Aug 02, 2017

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Nirmala Sitharaman holds talks on growing trade deficit with China

Commerce Minister Nirmala Sitharaman has held “candid” talks with her Chinese counterpart Zhong Shan over the ballooning trade deficit in favour of China which has crossed over USD 52 billion and sought a level playing field for Indian IT and agro products. India’s trade deficit with China in 2015-16 swelled to USD 52.68 billion, which Indian officials say has become unsustainable.

Besides pressing for access to IT and pharma products, the main stay of India’s global exports, India has been insisting that China should compensate by stepping up investments.

“The two Ministers exchanged views, in a candid manner, on further development of a strong, balanced and sustainable trade and investment partnership between India and China,” Indian Consulate in Shanghai said in a statement today.

“In particular, Minister Sitharaman sought the assistance of Chinese Ministry of Commerce in reducing the trade deficit, facilitating greater market access and for providing a level playing field for Indian IT, pharmaceuticals and agro products in China,” it said.

The meeting between the Minister of State for Commerce and Industry and Zhong was the second after their meeting on the sidelines of the Regional Comprehensive Economic Partnership (RCEP) Ministerial meeting in Hanoi, Vietnam in May 2017.

The ministers also agreed to further intensify India- China cooperation in the multilateral frameworks such as WTO, BRICS and Shanghai Cooperation Organisation (SCO), the statement said.They decided to hold the 11th Joint Economic Group (JEG) in New Delhi at the earliest.

A host of BRICS ministerial and officials meeting on various fields were being held in China ahead of the five- nation grouping’s summit to be held in September this year in the Chinese city of Xiamen.

The meetings were taking place as per schedule despite the India-China tensions over the standoff at Doklam in the Sikkim section. Ahead of Sitharaman’s visit, China’s Commerce Ministry said India should avoid abusing trade remedy measures and called for settling trade disputes through consultation.

Reacting to India’s move to launch an anti-dumping investigation over photovoltaic cells and units imported from China, Taiwan and Malaysia, Wang Hejun, head of the Commerce Ministry’s trade remedy and investigation bureau said China was paying close attention to the probe and hopes India will conduct it in a prudent manner and as per relevant rules.

Wang said adopting restrictive measures for the trade of photovoltaic products would not only harm photovoltaic sector development in India, but also dampen the sector’s long-term development worldwide as well as economic and trade cooperation between China and India.

Meanwhile, coinciding with Sitharamans’s visit, an article in today’s state-run ‘Global Times’ said protectionism against Chinese manufactured products will only boomerang on the Indian industry.

The list of Chinese products covered by India’s trade remedy investigations is getting ever longer, expanding from garments, glass, minerals and other low-end items to advanced products such as new materials and machinery, it said.

It seems that the Indian government is trying to protect domestic industries from overseas competition through trade remedy measures, but although this strategy offers certain short-term benefits, it will eventually hinder India’s industrial development, the article said.

India has initiated 12 investigations against Chinese products in the first half of this year, becoming the country with the most trade remedy probes against China, it said. During the period, 11 investigations were launched by the US, it said, quoting China’s Ministry of Commerce (MOFCOM).

“There are other explanations behind the intensified trade conflicts between India and China. After years of development, India’s industries have made progress, and many companies in India now produce items that could compete with those from China,” it said.

"Chinese producers still have the upper hand, but it seems understandable for the Indian government to be eager to protect local industries," the write-up claimed.

But it is wrong to resort to trade remedy measures to drive Chinese products out of the local market, it added. "At the same time that it is making great efforts in liberalising foreign investment rules, India should also open up to foreign competition to facilitate the development of domestic manufacturing," it said.

Source: thehindu.com- Aug 02, 2017

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Raymond's UCO denim plans further product development

Raymond UCO Denim expects continued growth as the denim market in India continues slow-paced expansion. Started in 1996, the company is still producing denim and looking to expand its reach.

The company launched a three year "2020 strategy" in which they aim for double digit CAGR in their topline. Arvind Mathur, CEO of Raymond UCO Denim says FY 2016's fabric capacity expansion project has now stabilised and "turnover of Indian operations is expected to grow at a healthy CAGR" over the next three years.

The current weaving capacity of all company's factories is over 50 million metres and the main focus is on multi count yarn fashion denims. Fabric manufacturing facilities are located in Maharashtra and Romania and cover yarn spinning, weaving, dyeing, and finishing.

Raymond UCO is now looking to grow certain product categories and penetrate deeper into markets they have a foothold in after expanding its fabric production Using the light asset model, growth is planned through continuation of collaborations with denim brands and pioneering new styles according to customer demand. Mathur stated that the denim market in India is growing at a rate of between ten and 15 per cent.

On future direction of denim in India, Mathur gives top five predictions on denim fabric preference trends for the coming seasons will be primarily driven by comfort and performance.

Stretch as a product category will grow. Bi-stretch, soft super stretch, sustainable and performance denims will be in the limelight. The knit look will continue to dominate the domestic market.

Source: fashionatingworld.com- Aug 01, 2017

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Punjab, Maharashtra warn cotton farmers on potential pest attacks

Two Indian states have asked cotton farmers to step up pesticide sprays to ward off potential harmful bug attacks as dry weather conditions in some parts of the country risk triggering infestations of pests like plant-eating whitefly.

Despite plentiful rains in most parts of the country, monsoon has been patchy in some areas of Punjab and Maharashtra, prompting the two state governments to initiate steps to stop pest attacks.

"We are a little concerned because of deficient rains in about six districts of the state and that's why we have reached out to farmers to help fight pest attacks, if any," Balwinder Singh Sidhu, Punjab's agriculture commissioner, told Reuters in a telephone interview.

The Punjab government will ensure that farmers get to spray extra rounds of pesticides to avoid any infestation, Sidhu said.

Cotton output has jumped fourfold since India allowed the genetically modified (GM) variety in 2002, transforming the country into the world's top producer and second-largest exporter of the fibre. Monsanto's lab-grown seeds yield nearly all of the cotton produced in India.

India grows cotton on 11-12 million hectares and is likely to have harvested 33.63 million bales (1 Indian bale = 170 kg) in the 2016/17 season that started on Oct. 1, slightly down from 33.78 million bales a year earlier, according to the Cotton Association of India.

While Punjab is not a major producer of cotton, Maharashtra is the second-biggest grower of the fibre.

The Maharashtra state administration has asked farmers in the Vidarbha and Marathwada regions to be vigilant for the next 8-10 days, when the crop is vulnerable to pest infestations, said an official at the agriculture ministry.

The official declined to be identified as he was not authorised to talk to media.

Whitefly pests hit cotton crops in Punjab and neighbouring Haryana state in 2015, when India suffered back-to-back drought years for only the fourth time in over a century.

Source: moneycontrol.com- July 31, 2017

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