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TEXPROCIL NEWS CLIPPINGS

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

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USD 63.79 | EUR 74.86 | GBP 82.81 | JPY 0.58

Cotton Market (8/8/17)

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

Rs./Bale	Rs./Candy	USD Cent/lb
19959	41750	**82.77**

Domestic Futures Price (Ex. Gin), October

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

International Futures Price

NY ICE USD Cents/lb (Dec 2017)	70.59
ZCE Cotton: Yuan/MT (Sept 2017)	15,010
ZCE Cotton: USD Cents/lb	**86.37**
Cotlook A Index – Physical	**80.45**

Cotton & currency guide: ICE cotton settled sideways on Monday's trading session at 70.55 cents/lb. Market is holding a mixed view because on the higher side it is yet failing to break above 71+ cents while also unable to move down below 70 cents for the past three trading sessions.

We believe market would remain in the same range unless any fresh trigger comes into market. We have the USDA WASDE Report on 10th of this month which may give fresh cues on the market.

The US cotton production holding above 19 million bales with global production and stocks rising may indicate a slight bearish tone on the cotton price. However, the actual figure shall decipher a fresh trend in the market.

Currency Guide:

Indian rupee appreciated by 0.08% to trade near 63.76 levels against the US dollar. The US dollar remains under pressure amid continuing uncertainty about Fed's monetary policy and Trump's administration.

Choppiness in global equity markets will however keep a check on rupee's appreciation. USDINR may trade in a range of 63.6-63.95 and we maintain sell on rise view.

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

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INTERNATIONAL NEWS

Belgium: FTA urges Bangladesh to cooperate with EU, ILO

Brussels-based Foreign Trade Association (FTA), which represents trade interests of European retailers, brands and importers, has written to Bangladesh Prime Minister Sheikh Hasina urging her country to cooperate with international bodies, such as the European Union (EU) and the International Labour Organization (ILO), in tackling outstanding labour issues.

Due to pressure from the EU, ILO and other stakeholders regarding the lack of respect for fundamental human and labour rights in Bangladesh, especially the right of freedom of association, uncertainty has been rising among European apparel companies that are chalking out their future sourcing strategy at present, FTA director general Christian Ewert wrote in a July letter.

The reported extension of the Accord on Fire and Building Safety (Accord) without mutual consent, the unclear role of the Remediation Coordination Cell (RCC) and the July 3 boiler explosion in a textile factory in central Bangladesh have affected the reputation of the country as a sourcing hub and added to the uncertainty, he wrote.

The RCC was set up by the Bangladesh Government in May this year to manage the remediation process for garment factories. It is supported by the ILO with funding from Canada, the Netherlands and the United Kingdom.

After Rana Plaza building collapse of April 2013, which killed more than 1,100 workers, European retailers formed the Accord. Fifteen brands and retailers and two global rights groups — UNI Global Union and IndustriAll Global Union — on June 29 signed an agreement in Paris to extend the Accord's tenure for three more years to 2021.

In June, the European Parliament adopted a resolution expressing concerns for the lack of progress in a number of areas of the Sustainability Compact, which brings together the EU, the Bangladesh Government, the United States, Canada and the ILO accompanied by employers, trade unions and other key stakeholders to promote continuous improvements in labour rights and factory safety in the readymade garment industry in the country.

The EU has increasingly put pressure on Bangladesh to do more to align national laws and practices with ILO recommendations. The EU also warned that Bangladesh might risk losing the trade preferences granted under the EU's 'Everything But Arms' initiative if it failed to address the issues, the letter noted.

FTA will maintain its engagement with Bangladesh and a roundtable in November will look at the labour issues there, it added.

Source: fibre2fashion.com- Aug 08, 2017

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USA: Trump administration's Africa policy in focus at AGOA trade talks

With the Trump administration's trade agenda focused on reining in China and renegotiating the North American Free Trade agreement, Africa has barely appeared on the radar screen.

That could change this week as President Donald Trump's top trade negotiator and other senior U.S. officials head to the West African nation of Togo to review a Clinton-era free trade pact with sub-Saharan Africa, in the administration's first high-level delegation to visit the region.

Looming over the two-day ministerial is China's growing role in African trade and influence, as Beijing finances massive infrastructure projects in the region, some through its new Asian Infrastructure and Investment Bank.

While U.S. exports to sub-Saharan Africa as a whole have doubled to $21.81 billion from $10.96 billion in 2000, according to U.S. Commerce Department data, they were dwarfed by China's $102 billion in exports to the region in 2015.

Also at issue is whether the Trump officials, led by U.S. Trade Representative Robert Lighthizer, will signal a desire to change the trade agreement before it expires in 2025.

Trump has sought to bolster his "America First" campaign by withdrawing from the Trans Pacific Partnership, threatening to rip up NAFTA and seeking to renegotiate the U.S.-South Korea free trade deal.

Launched in 2000, the African Growth and Opportunity Act (AGOA) has been barely mentioned by any Trump officials.

But no moves toward an early renewal or extension of AGOA are expected, said Constance Hamilton, deputy assistant U.S. Trade Representative for Africa.

Lighthizer will stress the importance to the administration of deepening its trade relationship with Africa, but will also caution that African countries should "engage in fair trade, eliminate barriers to U.S. exports and abide by the eligibility criteria of the AGOA program," said Hamilton.

The U.S. trade deficit with the 38 AGOA countries shrank to about $7.9 billion last year from a peak of $64 billion in 2008, as U.S. shale oil production increases have lessened the need for oil imports from major exporters Nigeria and Angola.

Overshadowing the talks will be an "out-of-cycle" review of AGOA trade benefits to Rwanda, Uganda and Tanzania, which have supported a phased ban on imports of second-hand clothing. U.S. groups say the move violates AGOA rules.

"The fact that we accepted the petition under the Trump administration, I won't say that means we're any harder on any countries, it just says we respect the criteria," said Hamilton, who emphasized that the issue was still under review by USTR.

The administration has paid little attention to developing a U.S.-Africa policy, said Kim Elliot, a trade expert at the Washington-based Center for Global Development.

"This administration has just shown almost zero interest in Africa," said Elliot. "It has not been a big focus, there is no sign at all that it has engaged the president's interest."

Scott Eisner, president of the U.S. Chamber of Commerce's U.S.-Africa Business Center, said African countries should look at reforms to attract more foreign investment.

AGOA, in its current form, will likely become irrelevant for a number of markets by 2025, he said.

"Those governments that want to continue to count on the U.S. market need to be prepared to come to the table to have bi-lateral or regional trade talks - whether they are called a free trade agreement or something different," Eisner said.

Peter Barlerin, a senior State Department official, said African nations need to start thinking about what comes after AGOA.

"We're not going to see AGOA stretching out to infinity, so eventually we will move into some other kind of arrangement, and that could include bilateral or larger free trade agreements with parts of Africa," he said.

Source: reuters.com- Aug 08, 2017

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National Board of Revenue announces tax cut for Bangladesh garment factories

The National Board of Revenue (NBR), the apex authority for tax administration in Bangladesh, has announced reduction of income tax rate for garment manufacturers and exporters from the existing 20 per cent to 12 per cent.

The income tax rate cut is being provided for building pollution free industrialisation in Bangladesh and low carbon economy.

“From the current financial year 2017-18, company and others taxpayers without company will provide maximum 12 per cent which was 20 percent for the financial year 2016-17,” NBR said in a circular, according to a Bangladesh news agency report.

Taxpayers of factories with international ‘Green Building Certificate’ will get further benefit as they would have to pay 10 per cent income tax from this fiscal, the circular added.

Source: fibre2fashion.com- Aug 8 2017

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Pakistan’s yarn imports rise in 2016-17

In 2016-17, Pakistan imported over 78,000 tons of yarn compared to 51,000 tons during the previous financial year. From July 2016 to March 2017, total yarn imports were 61,000 tons; nearly 87 per cent of this import was made under Duties and Tax Remission for Export.

Presently around 35 per cent importers and over 80 per cent exporters are provided with the facility of green channel, which results in automatic clearance consignments at both import and export stages.

In the first nine months of the current financial year, imports under the exemption schemes stood at 53,303 tons.

Much of Pakistan’s yarn imports come from China and India. Pakistan has imposed a regulatory duty on cotton yarn imports to protect the local industry. The idea is this will protect the rights of value-added exporters who could utilise the facility of duty and tax remission on exports. This policy has proved successful and garment exports registered a five per cent increase.

The industry wants the four per cent customs duty and five per cent sales tax on the import of cotton to be removed. This will enable the spinning industry to function properly and a free trade in cotton will serve the interests of all segments of the textile chain while protecting the interests of growers.

Source: fashionatingworld.com - Aug 08, 2017

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Bangladesh may get back GSP

The US may reinstate GSP for Bangladesh this year. The trade privilege was suspended in June 2013 for poor labor rights and weak workplace safety. Since then, Bangladesh says it has made a lot of progress in improvement of workplace safety and labor rights.

The US too has expressed appreciation for the way Bangladesh has transformed its economy and diversified its exports -- from jute to textiles and heavy industry fields like ship building. After the suspension of the Generalised Systems of Preferences, Bangladesh signed up for a 16-point action plan to get it back.

Bangladesh's main export item to the US, apparel, is excluded from GSP. Bangladesh's apparel exports are subjected to a 15.62 per cent duty upon entry to the US whereas the duty for other countries is much lower.

US importers paid nearly five billion dollars as duty to customs for their apparel imports from Bangladesh over the last five years. Bangladesh exported goods worth 23 million dollars under GSP in 2013, when the trade privilege was suspended. Bangladesh's exports to the US have doubled in the last 10 years.

The US is hopeful Bangladesh will amend labor laws and export processing zone laws to bring these to international standards in keeping with the country's commitment at the International Labor Conference.

Source: fashionatingworld.com - Aug 08, 2017

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US organic fiber sales up nine per cent

In 2016, sales of organic fibers in the United States were up 9.2 per cent from the previous year. Sales of non-food organic products rose by nine per cent. Organic fibers, supplements and personal care products accounted for the bulk of sales.

The organic fiber and textiles category continues to rank as the largest non-food organic category in the US market. Organic fiber sales accounted for almost 40 per cent of the total organic non-food sales in 2016.

There was an increase in the use of organic products in apparels, bedrooms and bathrooms of US consumers. Adequate supplies of organic textiles are a continuing challenge in the organic fiber market.

However, US organic cotton farmers produced a record 17,000 plus bales in 2016, to help alleviate supply concerns. There are two main categories of fibers: natural fibers, which can be from plant or animal sources, and manmade fibers, also referred as synthetic or artificial fibers.

Organic cotton is now available in colorful new designs using ecosafe dyes and even color grown cotton. From colorful and whimsical baby crib sets to trendy new styles, organic cotton can be very fashionable.

Farmers growing organic fiber follow standards that nurture the soil or animal from which it comes and do not use toxic insecticides, herbicides or fungicides.

Source: fashionatingworld.com - Aug 08, 2017

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German textile sector turnover up 0.9 per cent

The turnover of German textile and clothing sector for the first five months grew by 0.9 per cent. In all there were 0.6 per cent more people employed in the sectors than in the same period of 2016.

Effective working hours in May increased in textiles by 9.4 per cent and in clothing by 5.1 per cent. Domestic production of textiles improved in May by 4.1 per cent.

However, the clothing sector decreased its production by 2.3 per cent as against 2016. Orders for textile segment increased end of May by 15.9 per cent as against 2016.

The increase in orders for the clothing segment was 1.8 per cent. Producer prices were practically stable in both segments. As of May prices in the textile sector were up 0.4 per cent, in clothing 0.2 per cent.

Turnover of clothiers increased by 23.3 per cent. As of May turnover at specialist retailers sank by 0.3 per cent. This is in contrast to German retailers who registered a plus of 3.6 per cent.

Foreign trade increased in May for the sectors, particularly in the clothing sector by 13.5 per cent whereas in textiles it resulted only a plus of 1.4 per cent, meaning a plus for both segments of 8.3 per cent.

The clothing sector was able to increase considerably its deliveries to Switzerland.

Source: fashionatingworld.com- Aug 08, 2017

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Cambodias garment exports up four per cent

Cambodia's garment exports grew just four per cent in the first six months of the year. In the same period last year, growth was nine per cent. The slowdown may be due to a 2.3 per cent drop in exports to the United States amid stronger competition from Vietnam and Myanmar.

Increases in Cambodia's minimum wage were also a factor, leading to higher production costs. Cambodia's new minimum wage is more than double the minimum wage for garment workers in Bangladesh. Cambodia's exporters may face more challenges ahead.

With the World Bank's upgrade of the economy last year to lower-middle income country status, Cambodia will no longer receive preferential trade access in the European Union over the next three years.

Foreign direct investment in the garment sector dropped by about 30 per cent in the first quarter of 2017 compared to a five per cent drop in the same period last year.

Cambodia is the fifth biggest supplier of garment and textile products to the European Union. It's behind China, Bangladesh, Turkey and India.

Cambodia's garment exports to the EU grew by 14 per cent in 2016. The country's growth in the EU market was largely the result of preferential treatment under the Everything But Arms agreement, which allows its garment products to enter the EU market duty-free due to its status on the list of least developed countries.

Source: fashionatingworld.com- Aug 08, 2017

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China's Trade Surplus Widens for Fifth Month as Imports Moderate

China’s trade surplus widened for a fifth month in July as export growth remained solid and imports moderated, keeping the spotlight on a trade gap U.S. President Donald Trump aims to narrow.

Key Points

- Exports rose 7.2 percent in U.S. dollars as imports increased 11 percent, both falling short of economist projections
- The trade surplus widened to $46.7 billion
- Shipments to the U.S. rose 8.9 percent versus 19.8 percent in June, narrowing the trade surplus with the world’s biggest economy slightly to $25.2 billion

Big Picture

Demand for Chinese products has remained resilient as growth in major trading partners continues to recover. At home, stronger-than-expected output is supporting robust import demand.

Yet the world’s largest exporter confronts more uncertainty as U.S. President Donald Trump continues sporadic tough talk on trade. The White House may be considering a probe of alleged intellectual property violations, which could risk igniting trade tensions.

Economist Takeaways

"Overall exports and imports are still resilient," Raymond Yeung, chief greater China economist at Australia & New Zealand Banking Group Ltd. in Hong Kong, said in a Bloomberg Television interview.

"After an impressive rebound over the first half of 2017, trade is taking a little breather," said Frederic Neumann, co-head of Asian economics research at HSBC Holdings Plc in Hong Kong. "It’s not exactly that the bottom is falling out of the trade cycle, but it was always going to be tricky to maintain double digit export growth for the rest of the year."

"Exports slowed in July, a reminder that despite robust demand the world's factory has limited scope to grab increased market share," Bloomberg Intelligence economists Tom Orlik and Fielding Chen wrote in a report. "If exports now come off the boil, that would provide additional reason for caution on deleveraging."

"China's trade surplus actually is heading downward if you look at a year-on-year comparison," said Gai Xinzhe, an analyst at Bank of China's Institute of International Finance in Beijing. "In the meantime, the July figures give China a little better position at the negotiation table with Trump. Clearly, China can say we have done much work to balance our trade relations, and here are the numbers."

"Trade uncertainty has increased," Liu Liu, an economist at China International Capital Corp. in Beijing, wrote in a report after the data. "While trade frictions in certain areas may increase, a large-scale trade war is unlikely. As the second largest world importer, China has significant bargaining power in trade negotiations. Even if trade friction escalates, the Chinese economy is unlikely to be significantly impacted."

The Details

- Crude imports fell the lowest in six months
- Iron ore imports rose 7.5 percent on-year in the January-to-July period
- Natural gas imports jumped 20.7 percent in the same period

Source: bloomberg.com- Aug 08, 2017

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Protectionism Will Not Protect Jobs Anywhere

As US and European political leaders fret about the future of quality jobs, they would do well to look at the far bigger problems faced by developing Asia – problems that threaten to place massive downward pressure on global wages. In India, where per capita income is roughly a tenth that of the United States, more than ten million people per year are leaving the countryside and pouring into urban areas, and they often cannot find work even as chaiwalas, much less as computer programmers. The same angst that Americans and Europeans have about the future of jobs is an order of magnitude higher in Asia.

Should India aim to follow the traditional manufacturing export model that Japan pioneered and that so many others, including China, have followed? Where would that lead if, over the next couple of decades, automation is going to make most such jobs obsolete?

There is, of course, the service sector, where 80% of the population in advanced economies works, and where India's outsourcing sector still tops the world. Unfortunately, there, too, the path ahead is anything but smooth. Automated calling systems already have supplanted a substantial part of the global phone center business, and many routine programming jobs are also losing ground to computers.

China's economic progress may have been the big story of the last 30 years, but it struggles with similar challenges. While China is far more urbanized than India, it, too, is still trying to bring ten million people a year into its cities. Between jobs lost to automation and to lower-wage competitors such as Vietnam and Sri Lanka, integrating new workers is becoming increasingly difficult.

Recently, the rise in global protectionism has made this difficult situation worse, as epitomized by the decision of Foxconn (a major supplier to Apple) to invest $10 billion in a new factory in Wisconsin. Admittedly, the 13,000 new jobs in the United States is a drop in the bucket compared to the 20 million (or more) that India and China must create each year, or even compared to the two million that the US needs.

At the margin, the US and Europe might have some scope to make trade fairer, as Trump says he will do. For example, many Chinese steel plants have state-of-the-art pollution controls, but these can be switched off to save costs. When the result is that excess output is dumped at cheap prices into world markets, Western countries are fully justified in taking countermeasures.

Unfortunately, the long history of trade protectionism is that it rarely takes the form of a surgical strike. Far more often, the main beneficiaries are the rich and politically connected, while the losers are consumers who pay higher prices.

Countries that go too far in closing themselves off to foreign competition eventually lose their edge, with innovation, jobs, and growth suffering. Brazil and India, for example, have historically suffered from inward-looking trade policies, though both have become more open in recent years. Another problem is that most Western economies have long since become deeply intertwined in global supply chains.

Even the Trump administration had to reconsider its plan to pull out of the North American Free Trade Agreement when it finally realized that a lot of US imports from Mexico have substantial US content. Erecting high tariff barriers might cost as many US jobs as Mexican jobs. And, of course, if the US were to raise its import tariffs sharply, a large part of the costs would be passed on to consumers in the form of higher prices.

Trade will surely increasingly permeate the service sector, too. Amazon's Mechanical Turk (named after the eighteenth-century chess-playing machine which actually had a person cleverly hidden inside) is an example of a new platform that allows buyers to contract very small specific tasks (for example, programming or data transcription) at third-world wage rates. Amazon's clever slogan is "artificial artificial intelligence."

Even if protectionists could shut down outsourcing of tasks, what would the cost be? To be sure, online service platforms do need to be regulated, as early experience with Uber has demonstrated. But, given the massive number of new jobs that India and China need to create every year, and with the Internet remaining highly permeable, it is folly to think advanced economies can clamp down tightly on service exports.

So how should countries deal with the relentless advance of technology and trade? For the foreseeable future, improving infrastructure and education can achieve a great deal. While the rest of the world floundered in the aftermath of the 2008 financial crisis, China continued to extend its vast logistical and supply chains.

In a world where people are likely to have to change jobs frequently and sometimes radically, wholesale changes in adult education are needed, mainly effected through online learning. Last but not least, countries need to institute stronger redistribution though taxes and transfers. Traditional populist trade policies, like those that Trump has espoused, have not worked well in the past, and are likely to perform even worse now.

Source: project-syndicate.org- Aug 09, 2017

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American Apparel brand to begin retailing again

American Apparel brand clothing will be sold online from August 14 through its former e-retail site by Gildan Activewear, the Montreal based company that bought the former.

American Apparel products are currently only available through wholesale via authorised dealers and promo product suppliers, after its 110 retail stores were closed earlier this year. “With a new and improved supply chain, we will be incorporating our classic style with consistent sizing across all garments for women and men at a more affordable price point,” said a leading daily quoting Gildan.

The company has not revealed details about the prices of the products to be sold through the American Apparel e-commerce website.

Additionally, Gildan had not taken over a majority of the leases for manufacturing facilities in the US, hence it is not clear if the clothing items to be sold online will be made in the US or elsewhere.

Source: fibre2fashion.com- Aug 08, 2017

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Bangladesh: Boosting TSP services to help textile sector: Officials

Boosting the Textile Sustainability Platform (TSP) could help encourage sustainability and cleaner production in the textile sector of Bangladesh, according to some industry officials.

TSP acts as a platform for public-private co-operation to strengthen environmental sustainability and promote efficient use of resources in the textile sector.

Harnessing the potential of digital technology can help strengthen communication and deliberation in the TSP platform and the textile sector, said Asif Ibrahim, former chairman of Business Initiative Leading Development (BUILD) at the 'TSP to accumulate ideas for Cleaner Textile' discussion organised by BUILD and Bangladesh Garments Manufacturers and Exporters Association (BGMEA).

The Partnership for Cleaner Textile (PaCT) had led to the origination of TSP. PaCT is an initiative supported by International Finance Corporation (IFC).

Faruque Hassan, senior vice president of BGMEA said that business organisations are getting sensitised towards the idea of efficient use of water resource, according to a press release.

The discussion was summarised under certain points by Ferdaus Ara Begum, CEO of BUILD. They include tax incentives for green investment, regional peer learning, strong information dissemination, strong policy advocacy, promoting research and innovation, and zero discharge policy, highlighting energy and water saving benefits among others.

Source: fibre2fashion.com- Aug 08, 2017

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NATIONAL NEWS

Chairman, TEXPROCIL welcomes reduction in GST rate for Job work in textile sector

The Goods and Services Tax (GST) Council in its 20th meeting on Saturday decided to cut the tax rate for job work for the entire value chain of textiles sector to 5 per cent. Earlier, the GST for job works related to textile yarns, other than manmade fibres and textile fabrics, was 5 per cent, while for manmade fibres yarns and made ups / garments , it was 18 per cent.

"The reduction in the GST rate for job work in the made ups and garment sectors is welcome and a positive measure which will bring down the costs for the textiles sector across the value chain", said Shri Ujwal Lahoti, Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL).

Majority of the manufacturing activities in the textiles sector take place through job work and the reduction in the GST rate for job work has come as a huge relief for the sector", pointed out Shri Lahoti.

The Chairman TEXPROCIL thanked Shri Arun Jaitley , Hon'ble Union Finance Minister and Smt Smriti Zubin Irani , Hon'ble Union Textile Minister for reducing the GST rate for job work in the textile sector.

With regard to exports, Shri Lahoti said "merchant exporters cannot benefit from the facility of exports under Bond/ LUT". There is no enabling document prescribed so far by the Government under which goods can be cleared by a manufacturer without charging IGST meant for exports by a merchant exporter against Bond/LUT, pointed out Shri Lahoti.

In the absence of such a provision , the manufacturer charge IGST on the goods supplied by him to the merchant exporter meant for exports under Bond/LUT. In the erstwhile Central Excise regime, there was a facility under which a merchant exporter who has executed a Bond (B-1 Bond) was provided with C.T.1 certificates.

The manufacturers supplied the goods without charging Central Excise duty to the merchant exporters against the C.T.1 certificates.

The Chairman, TEXPROCIL urged the Government to introduce similar facility at the earliest so that the merchant exporters exporting under Bond/LUT can get IGST free goods from the manufacturers. The Foreign Trade Policy allows fulfillment of export obligations under various schemes though "third party exports".

Such a provision of getting exports goods without payment of IGST from the textiles manufacturers will lead to ease of doing business and also seamless flow of credits, according to Shri Lahoti.

Further , to operate under the facility of Bond/ LUT , a Bank Guarantee is required to be furnished by the exporters . Shri Ujwal Lahoti urged the Government to exempt those exporters holding a valid membership with an Export Promotion Council from furnishing Bank Guarantees as it increases costs for the exporters.

In the Central Excise regime, merchant exporters who were members of an EPC were exempted from furnishing Bank Guarantees while executing B-1 Bond, pointed out Shri Lahoti.

Source: business-standard.com- Aug 09, 2017

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India aims to ramp up textile and apparel trade with Japan

In an attempt to enhance exports to Japan, Textiles Committee under MoT is working hand in hand with experts from Japan Textile Products Quality and Technology Centre (QTEC). The Indian government year signed a MoU with QTEC through the Textiles Committee aimed at jointly establishing and encouraging quality compliance in the industry.

The MoU is slated to bring in a new era in international trade of textile and clothing from India to Japan. Towards this goal, Textiles Committee recently organised an industry capacity building programme on quality compliance of Indian textiles and clothing for Japanese market in nine cities across India. Leading textile industry and trade personnel took part in the program. Out of India's total textile and apparel exports of nearly $40 billion, only $0.5 billion (or less) goes to Japan, which imports nearly $35 billion worth textile apparel annually.

Towards a greater bilateral tie-up

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Vijay Mathur, Additional General Secretary, Apparel Export Promotion Council (AEPC), gave the example of Gurgaon-based Neetee Clothing, which has done few improvements in its working, like creating worker manual, visual display of machine working etc, and now the company is doing good business with Japanese brand Muji. Other Indian exporters too should come forward. Apparel exporters willing to work with good Japanese buyers, should have their own environment policies and also ask workers about their future aspirations from their job.

Japan revising labelling norms

From April 1, 2017, Consumer Affairs Agency of the Japan has announced the partial revision of quality labelling system for textile and apparel products. Under this garment care symbols have been increased to 41 in terms of numerical digits, and some new care tags such as washing care labelling for mufflers, scarves and shawls have been added, while fibre composition of interlining for trousers made mandatory.

From April 1, 2017, Consumer Affairs Agency of the Japan has announced the partial revision of quality labelling system for textile and apparel products. Under this garment care symbols have been increased to 41 in terms of numerical digits, and some new care tags such as washing care labelling for mufflers, scarves and shawls have been added, while fibre composition of interlining for trousers made mandatory.

Knowledge sharing exercise

Toshiki Tasaka, Director, Overseas Coordination Department of QTEC; and Kei Funaki, ASEAN and South Asia Regional Manager, Overseas Coordination Department, QTEC deliberated in depth on: 'Difference of quality requirements between Western buyers; 'Quality and Compliance in Japan and JIS Overview'; and 'The Banned Substance in Japanese Market'. The Japanese delegates also discussed their market requirements in terms of quality, make-up, benchmarking tools, Japanese industrial standards and various other compliances.

K K Agarwal, Textile Sourcing System/Relio Marketing Company, Delhi, highlighted there are few successful Japanese trading companies and they are working effectively among machine manufacturers. Being a government and an independent organization, the Textiles Committee should take similar responsibility and work as an Indian trading company with focus on Japan. It will help the industry from testing to overall sourcing as every exporter does not have capabilities, resources etc, to explore Japan. Through this, Japanese companies will have confidence to work with new companies in India.

Source: fashionatingworld.com- Aug 08, 2017

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India's cotton yarn output falls this year

Production of cotton yarn in India declined 1.8 per cent in 2016-17. Exports of cotton yarn fell 7.9 per cent. This was due to a 22.7 per cent fall in exports to China, which is India's largest cotton yarn market but Chinese fabric manufacturers preferred to purchase local cotton yarn instead of importing yarn from other countries. Nevertheless, there was a 4.1 per cent increase in exports to countries other than China.

Demonetisation also affected production of cotton yarn. The textile industry is highly unorganised and wages are largely in cash. Due to the cash crunch in the country, manufacturers were unable to pay wages which resulted in laborers' not reporting to work.

Demonetisation also curtailed consumer spending, resulting in a dip in the sale of apparels and other end-products of the textile industry. This led to a fall in demand in the entire value chain.

An increase in price of the industry's main raw material, cotton, also caused problems for the industry. Annual average prices of medium staple cotton were up 19 per cent year-on-year.

Spinning mills were pushed into losses as the rise in raw material prices could not be fully transferred onto the customers. This pushed cotton yarn manufacturers into losses. Hence, yarn manufacturers cut production in order to minimise losses.

Source: fashionatingworld.com- Aug 08, 2017

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FOSTTA calls meet to discuss GST demands

Unhappy with the GST Council not taking any decision on the demands put forth by the textile traders community at the August 5 meeting, the Federation of Surat Textile Traders' Association (FOSTTA) and the GST Sangarsh Samiti have decided to go for the opinion of the traders' community on the further course of action.

The FOSTTA and GST Sangarsh Samiti leaders met on Tuesday to discuss demands not addressed at the GST Council on August 5.

FOSTTA office-bearers stated that they had met finance minister Arun Jaitley along with the union minister of state for road transport Mansukh Mandaviya and the two MPs from Surat and Navsari on July 17. The meeting went on for almost 50 minutes and Jaitley had promised to resolve the demands including the simplification of the GST rules.

The GST Council meeting had no mention about the simplification of the GST rule for the textile traders community. However, the FOSTTA and GST Sangarsh Samiti have called a meeting of representatives of all the 165 textile markets in the city to decide on the further course of action on Saturday.

President of FOSTTA, Manoj Agarwal said, "After receiving promise to resolve the GST issues from FM Arun Jaitley on July 17, we unanimously decided to end the indefinite strike on July 18.

The entire traders' community was waiting for GST Council meeting on August 5 to take decision in favour of the traders. Sadly, nothing came out. The textile trade is in trouble and that the business has reduced to almost 30 per cent."

Source: timesofindia.com- Aug 09, 2017

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Assam to soon come out with new textile policy

India's north-eastern state of Assam would soon come out with a new handloom and textile policy to boost the sector, chief minister Sarbananda Sonowal has said. Addressing a function in Guwahati to observe the third edition of the National Handloom Day on August 7, he said professional skills of weavers would be upgraded to face market challenges.

The state government will support modernisation of weaving skills through the latest technology, Sonowal said.

The first National Handloom Day, organised by the Union ministry of textiles, was observed in Chennai and the second edition in Varanasi in Uttar Pradesh.

Taking stock of the problems faced by weavers in the state on the occasion, union minister of state for textiles Ajay Tamta said the Central government has sanctioned Rs 600 crore for promoting eri and muga silk in Assam. Assamese weavers comprise 65 per cent of total weavers in India.

The textiles ministry has entered into agreements with Indira Gandhi National Open University (IGNOU) in New Delhi and National Institute of Open Schooling (NIOS) under which children of weavers can study in schools and universities with three-fourths of the fees being borne by the Central government, Tamta added.

Source: fibre2fashion.com- Aug 09, 2017

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Khadi goes global, KVIC stores in Dubai, Paris by 2018

The Khadi and Village Industries Commission (KVIC) under the Indian ministry of micro, small and medium enterprises (MSME) plans to open its outlets abroad by 2018 beginning.

The commission, which has set a sales target of Rs 5,000 crore for fiscal 2018-19, will initially open stores in Dubai and Paris, according to chairman Vinai Kumar Saxena.

In 2016-17, KVIC's sales figure was Rs 2,005 crore compared to around Rs 1,520 crore in the previous fiscal. Khadi as a brand of clothing has gained significance in the recent past with Prime Minister Narendra Modi promoting it, Saxena recently told news persons.

Organisations, like Oil and Natural Gas Corporation Ltd (ONGC), Air India and Indian Railways have placed orders with KVIC and many institutions, such as the Institute of Company Secretaries of India and the Indian Institute of Technology Bombay now prefer only using Khadi gowns and shawls for their annual convocation ceremonies.

Private companies are also not left behind. Leading textile and apparel conglomerate Raymond Limited launched its first branded khadi label, 'Khadi by Raymond', in May this year. Others that have joined the khadi trail to introduce their own variants include Allen Solly, Turtle, Arvind Ltd and Ritu Beri.

KVIC added 286 new stores in the last three years and is now testing lounge format stores called 'Khadi India Lounge'. The first set of these lounges targeting upmarket clientele have been set up in Delhi, Mumbai and Jaipur. Similar stores will be set up in Bhopal, Goa and Lucknow by the end of the year.

Source: fibre2fashion.com - Aug 08, 2017

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JN Port lowers charges to attract customers

Jawaharlal Nehru Port, the largest container handling port, which has lowered charges to attract more traffic, has also been able to strike a balance between imports and exports.

"Historically, this was a port for imports, where 65 per cent used to be imports. The recent trend shows that 51.5 per cent are imports, and remaining 48 per cent are exports, which reflects that imbalance is being reduced," Neeraj Bansal, Deputy Chairman, JN Port, told *BusinessLine*.

He explained that the extent of export and import cargo is dynamic and can vary based on several factors such as festival demands. Also, the implementation of new processes is helping JN Port get customers from newer hinterland areas, to which it did not have access.

The port has lowered the dwell time at various points, which allows more asset utilisation (such as more trips per truck in the same time), provided cheaper parking space and provided a discount to rail-based traffic, among measures to attract trade. These steps have been backed by a process to track container movement with the help of two independent agencies.

One is a study by the Federation of Indian Export Organisation (FIEO), which is engaged in a time study of the entire port ecosystem; and another is a logistics database project of Delhi Mumbai Industrial Corridor Development Corporation Ltd (DMICDC), which would enable its customers track the containers so that they know where the containers are stuck and accordingly take necessary action.

Since October 2016, FIEO is measuring each activity at the port – like truck moving out of the port gate to CFS gate, time taken in the CFS and the number of days it takes for the cargo to be cleared at the CFS. "So, all four terminals are being measured in terms of export dwell time, import dwell time, road and rail component of that and the inland container depot and container freight station portion," Bansal said.

With DMICDC, JN Port has implemented the RFID tagging of all containers which enter or exit the port.

The agencies are tracking both imports and exports, covering almost 70-80 per cent of the containers at the port. The last leg of the report — tracking the movement from the inland container depot to importers — is pending.

Source: thehindubusinessline.com- Aug 09, 2017

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Pink bollworm hits cotton in Gujarat, Maharashtra

The cotton crop in parts of Gujarat, Andhra Pradesh and Maharashtra has come under pink bollworm attack as there is an erosion of resistance to the pest in some transgenic varieties.

"As per report from the Central Institute for Cotton Research (CICR), Nagpur, there is a sporadic incidence of pink bollworm damage in Maharashtra, Andhra Pradesh and Gujarat," Minister for State for Agriculture Parshottam Rupala informed the Lok Sabha in a written answer on Tuesday.

The Maharashtra Government has already directed seed firms to pay a compensation of ₹36.83 lakh to the farmers, he said.

"It is not a serious problem yet, but it can be if care is not taken," said CD Mayee, a renowned cotton scientist, who is currently associated with the South Asia Biotechnology Centre in New Delhi.

Unlike the American bollworm, there is a drop in resistance to the pink bollworm in certain Bt varieties, he admitted. It normally enters the plant in November-December. If the sowing time is optimum, the problem can be checked, he said.

Meanwhile, the pink bollworm attack has delivered a double blow to farmers in flood-ravaged Gujarat. Most parts of the State where cotton was sown early are experiencing a pink bollworm attack yet again.

North Gujarat affected

State agriculture department officials confirmed the worm attack in almost all the cotton growing districts including Rajkot, Jamnagar, Junagadh and Mehsana in North Gujarat.

According to initial estimates, farmers in Saurashtra and North Gujarat had adopted early cotton sowing on about 1.5 lakh hectares till the early days of the kharif sowing, which normally starts after June 15. The State, which is India's largest cotton producer, had seen sowing on over 26.35 lakh hectares as on July 31.

Ironically, Gujarat received heavy rains during the past month, with several districts, including Morbi, Jamnagar, Surendranagar, Banaskantha and Patan, receiving devastating downpours, causing flooding in the fields.

Double blow

The State government estimated 25 per cent damage to the cotton sown in the State due to floods. Heavy damage to the crops added to the woes of the farmers. The pink bollworm will increase input costs for farmers.

Government officials claimed that the menace can be contained with chemical treatment. "The treatment of pesticides and insecticides will cost farmers an additional ₹2,000-2,500 per acre. This will add to their cost of cultivation. The remedy is available and this menace can be contained," said a senior agriculture official from Rajkot district.

According to farmers in the region, the cotton plants have reached flowering stage and the insect has started showing up on the flowers. "This is the initial stage of the bollworm attack. It is still curable, but once we have bolls on the plant, it will cause severe damage," said a farmer from Jamnagar.

Source: thehindubusinessline.com- Aug 09, 2017

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