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INTERNATIONAL NEWS

How much impact does the epidemic in Xinjiang have on cotton yarn market?

Covid-19 epidemic has appeared in Xinjiang since August. Some cotton yarn mills suspended production or implemented the enclosed management, but had little influence on the overall market. Epidemic condition became worse during National Day and confirmed cases increased in many places of Xinjiang, making control measures be upgraded.

According to CCFGroup, cotton yarn mills in places including Aksu, Korla and Shihezi stopped production or implemented enclosed management. The operating rate in Xinjiang slipped greatly and cotton yarn production declined obviously. Besides, further reduction of production was expected due to some reasons such as the increasing difficulty of cotton procurement. So how much impact does the epidemic in Xinjiang have on cotton yarn market?

1.The proportion of Xinjiang cotton yarn production is relatively large, which leads to the reduction of domestic cotton yarn supply

The spinning capacity in Xinjiang has exceeded 20 million spindles. As the second largest production base in China, the capacity accounts for around 15% of national total. In 2021, cotton yarn production in Xinjiang accounted for more than 25% of the total cotton yarn production in China, which shows Xinjiang cotton yarn's position is absolutely pivotal in China. Now on the one hand, cotton yarn mills in Xinjiang reduced and suspended production amid the influence by epidemic, making production decline obviously.

On the other hand, domestic cotton yarn supply from Xinjiang will slip apparently as cotton yarn transported out of Xinjiang is blocked. The reduction of cotton yarn supply in consumption regions will be beneficial for domestic cotton yarn consumption to some extent. However, market demand shrank after National Day and downstream orders lacked, making cotton yarn prices still hard to rise with great resistance.

2.The cost of cotton yarn mills rises as domestic cotton supply is tight and prices are firm

Cotton stocks in cotton yarn mills were continuously at low level as market commonly expected the falling of cotton prices, and the averaged inventory was less than 20 days till now. Though prices of cotton futures continued to drop, actual spot cotton prices were very firm mainly as unsold cottons were concentrated and domestic cottons were few.

Now cotton transported out of Xinjiang was harder due to the upgrading of epidemic control in Xinjiang. At present, domestic cotton inventory of industry and commerce could only be used for more than one month, making spot cotton prices easy to rise and hard to drop in short term. Cotton yarn mills may face cotton supply shortage and the rise of cost. Cotton yarn prices are very hard to rise with great resistance as downstream demand lacked, and the cotton yarn mills may suffer losses again.

To sum up, downstream demand for cotton yarn is weak, and it is almost certain that demand will decline in October compared with September. The overall supply of cotton yarn reduces due to the epidemic upgrading in Xinjiang, giving some support for cotton yarn prices. Besides, domestic mills face the pressure of tight spot cotton supply and the rising of prices. When epidemic control will release in Xinjiang is uncertain.

Even if cotton prices rise, it is not very likely for traders to buy a large number of cottons and cotton yarns as traders and mills are afraid of the falling back of prices due to the increase of supply after lift lockdown in Xinjiang. Moreover, there is much current cotton yarn inventory, so the rising of cotton yarn price is with great resistance.

If cotton yarn prices rise, the rise range is not expected to pass over cotton's, making profit of cotton yarn mills narrow and even turn to losses. If epidemic control time is too long, domestic cotton yarn mills have to reduce, suspend or transfer the production.

Source: ccfgroup.com - Oct 12, 2022

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Monthly UK production output falls by 1.8% between Jul, Aug 2022

Monthly UK production output fell by 1.8 per cent between July and August and is now 0.9 per cent below the figure in February 2020, which was the last month of 'normal' trading conditions prior to the novel coronavirus pandemic.

The fall resulted from a decline in three of the four sectors—manufacturing; mining and quarrying; and electricity and gas.

Production output in the manufacturing sector fell by 1.6 per cent and in electricity and gas by 0.6 per cent in August month on month, according to the Office of National Statistics (ONS).

Manufacturing saw eight of its 13 sub-sectors negatively contributing to growth during August.

Production output for the three months to August 2022 fell by 1.5 per cent compared with the three months to May.

Source: fibre2fashion.com - Oct 12, 2022

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Italy's GDP rises in Q2 2022 driven by domestic demand

Italy's gross domestic product (GDP) increased in the second quarter this year driven by domestic demand, while net exports gave a negative contribution, according to the government statistical agency.

Industrial production in August increased strongly by 2.3 per cent over the previous month, but assuming that September index will remain on the same value of August, the third quarter will return only a marginal increase.

Inflation in the country accelerated in September and the diffusion of the inflationary process widened.

Exports rose by 2.6 per cent for European Union (EU) member countries and by 5.7 per cent for non-EU countries. Imports grew by 1.6 per cent for EU countries and by 5 per cent for non-EU countries.

The number of both employed and unemployed persons decreased in August, while a growth was recorded for inactive people. The unemployment rate declined to 7.8 per cent.

The outlook for next few months continues to worsen. In September, the consumer and business confidence index decreased.

Source: fibre2fashion.com - Oct 12, 2022

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China's home textile exports to Germany down 38.3% in H1 2022

Germany imported home textiles worth $3.297 billion during the first half (H1) of 2022. China remained its top supplier with shipment valued at $910.958 million (27.62 per cent), even as its share declined by 38.30 per cent from $1.475 billion in H1 2021. Turkiye, Poland, Netherlands and Pakistan were among the top five supplier countries.

Turkiye exported home textiles worth $353.726 million to Germany in January-June 2022, amounting to 10.73 per cent of the latter's total imports, according to Fibre2Fashion's market insight tool TexPro. Its supply increased by 14.23 per cent year-on-year.

Poland shipped home textile products worth $295.758 million, that is 8.97 per cent of Germany's total imports. But the supply declined by 12.41 per cent from $337.654 million in H1 2021.

Germany's imports of home textiles from Netherlands amounted to $289.741 million in H1 this year which was 8.79 per cent of its total imports. But it decreased by 31.13 per cent from $420.699 million in January-June 2021. Pakistan's shipment of home textiles to the European country rose by 21.63 per cent to $247.193 million from $203.235 million of H1 2021, as per TexPro.

In addition to these, Germany also imported home textiles from other countries. Its imports were valued at $195.616 million (5.93 per cent) from India; $132.584 million (4.02 per cent) from Czech Republic; $95.787 million (2.90 per cent) from Belgium; $72.632 million (2.20 per cent) from Austria; and $57,449 million (1.74 per cent) from Vietnam.

Source: fibre2fashion.com- Oct 13, 2022

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US garment retail prices growth slower than inflation rate: Cotton Inc

Retail prices for garments in the US have been increasing more slowly than the overall inflation rate, according to the latest report by Cotton Incorporated (Cotton Inc). Relative to averages in 2019 (pre-COVID), the CPI for apparel was 2.2 per cent higher in August, while the overall CPI was 15.8 per cent higher.

On the other hand, import costs have been rising. The latest seasonally adjusted value per square metre equivalent (SME) of cotton-dominant apparel was $4.04/SME. This is the highest cost on record (data since 1989), as per Cotton Incorporated's Executive Cotton Update - US Macroeconomic Indicators & the Cotton Supply Chain for October 2022.

The posting of a record high represents a sharp reversal relative to import costs during the pandemic that nearly set record lows. Seasonally adjusted import costs for cotton-dominant apparel were below $3/SME in late 2020 and early 2021.

Imports during these months likely included deliveries resulting from contracts signed during the most challenging months of the pandemic 8-10 months earlier.

In August, overall consumer spending in the US increased marginally (0.1 per cent) month-over-month. Year-over-year, overall spending was 1.8 per cent higher. Consumer spending on garments was 0.4 per cent lower both month-over-month and year-over-year in August.

Every month between June 2020 and February 2022, the growth rate in consumer spending on apparel exceeded the growth rate in overall spending. In every month since March 2022, the overall rate has been higher than the rate of spending on apparel.

The International Monetary Fund (IMF) will release an updated set of estimates for global economic growth in the first half of October. The current IMF figures (released July 2022) already suggest that countries accounting for one-third of the world economy will contract in consecutive quarters either in 2022 or 2023. Inflation is a global issue.

The rise in European energy prices, a slowdown in the Chinese property market, and climbing interest rates in the US were cited as additional sources of concern in preliminary remarks by the IMF's director ahead of October's release. While reiterating the risk of downside revision, the IMF official expects a loss in global output around $4 trillion between now and 2026 (for context, $4 trillion is about the size of Germany's economy, the world's fourth largest market).

Another major development in the global economy has been a steep increase in the value of the US dollar. As US interest rates increased relative to those in other markets over the past several months, it made investment in dollar-denominated assets more attractive, and the resulting influx of money caused the dollar to strengthen. For emerging markets, this can have several adverse effects.

Emerging market debt is often expressed in dollar terms. When the dollar becomes stronger relative to the currency of a country with debt, payments become more expensive in domestic terms. This exchange rate issue is compounded by the rise in interest rates, which can directly impact debt payments. Emerging markets have been an engine of global economic growth in recent decades but mounting financial pressures may push some countries toward default, the report said.

The US economy was estimated to have added 263,000 jobs in September. The existing figure for July increased 11,000 positions to 537,000. The existing figure for August was unchanged at 315,000. The twelve-month average for job gains is 474,000. The unemployment rate decreased from 3.7 per cent to 3.5 per cent. Since the end of 2021, the unemployment rate has been below four per cent.

Compared to early months of the pandemic, the labour force participation rate has increased by one percentage point (from 61.4 per cent in the summer of 2020 to 62.4 per cent most recently). Since June 2020, the rate of wage growth has generally been between 5 per cent and 5.5 per cent. The latest value (September) was 5 per cent.

Source: fibre2fashion.com- Oct 12, 2022

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USA: Why the Nearshoring Boom Marks the End of Globalization

Companies in the United States are rapidly reshoring. Here's how to capitalize on that trend.

The world's growing interconnectedness has unfortunately exposed weaknesses across the global supply chain. In recent years, supply chain decision makers have needed to adapt to a global pandemic, an ongoing trade war between the U.S. and China, and most recently, added complications from the Ukraine war, which has resulted in a restriction of raw materials out of Ukraine and Russia.

For the first time in 30 years, the ecological myth of "globalization," which has sought profits by removing trade barriers and seeking cheaper labor and resources while proclaiming "only ONE earth," may be collapsing.

"The decade to 2030 is likely to be one of transformation for global value chains (GVCs), reshaping the global trade and investment landscape", said James Zhan, director of investment and enterprises at the United Nations Conference on Trade and Development (UNCTAD).

What kind of evolutionary processes are businesses planning to thrive in this changing environment? According to McKinsey & Company, 71 percent of chief procurement officers (CPOs) surveyed last November plan to increase their nearshoring share by 2025, with 24 percent considering nearshoring in the same market where it currently operates.

Will nearshoring spark the end of offshoring?

With this is mind, offshoring, in which suppliers operate in countries with low labor costs, is coming to an end. On the other hand, nearshoring, which is the practice of relocating a business operation to a nearby country rather than a more distant one, is gaining traction.

For example, a California-based toy manufacturer announced this year that it would consolidate its manufacturing facilities at a plant in Monterrey, Mexico. To that end, the company is closing two Asian plants and investing $47 million in its Mexican facility. The company's emphasis on supply is shifting away from cheaply procured larger quantities and toward receiving consistent delivery, even if it is more expensive.

The U.S. government appears to be actively participating in the trend of creating this new nearshoring ecosystem, with the current administration focusing its actions on Central America in particular. President Joe Biden has recently encouraged industry representatives, such as American Apparel & Footwear Association (AAFA) members, to invest in strengthening cooperation with the Central American Triangle countries that have signed the CAFTA-DR free trade agreement.

Global companies with a high proportion of sales in the U.S. are experiencing an innovative transformation.

Throughout its 40 years of history and expertise in apparel manufacturing, global fashion vendor Hansae Co. Ltd. has continuously grown and been recognized in its field. With partnerships with more than 30 buyers and retailers in the U.S., the company exports about 400 million pieces per year. The company has 10 distinguished apparel manufacturing factories in Central America (Guatemala, Nicaragua, and Haiti).

Hansae is gaining attention because it is making a large-scale investment in Guatemala to meet these buyers' nearshoring needs. In this burgeoning environment, Hansae's future-oriented investment is gaining importance, and the company anticipates further development and growth across these markets.

Source: sourcingjournal.com- Oct 12, 2022

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Haelixa Makes Egyptian Cotton Product Traceable

Swiss company Haelixa can now trace Egyptian cotton from the source up to premium shirts through a DNA marker it developed to label the raw material "premium Egyptian cotton."

Haelixa's DNA marker has been applied as fine spray to GIZA 96 lint cotton in Borg Al Arab, Egypt, and used to produce the fabric by Swiss manufacturer Weba. Once applied to the fibers, Haelixa's DNA markers stay safely embedded into the material and withstand the industrial processing, ensuring traceability from the source until the finished garment.

Samples of lint cotton, yarn and fabric at different steps were verified with a test based on PCR and the correct DNA marker was detected, enabling the identification of the premium product, of its origin and the specific supply chain.

The forensic data obtained were recorded on a blockchain system provided by United Nations Economic Commission for Europe, better known as UNECE. The marked fabric was used to make Hugo Boss cotton dress shirts.

"In cases like this one, where the material is of the highest quality and the product is shipped from one facility to another for premium processing, adding physical traceability is critical to ensure that the origin, quality and processing claims can be backed up," said Gediminas Mikutis, chief technology officer and co-founder at Haelixa.

The UNECE and United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) have been developing policy recommendations, implementation guidelines, a call to action and a traceability toolbox including blockchain and DNA tracing solutions that have been implemented in several textile supply chains.

Haelixa is part of a group of experts that develops such policy recommendations and conducts projects with key industry players to set traceability benchmarks and develop them into standards.

“Traceability and transparency are crucial elements to protect environmental, social and human rights along global value chains,” Maria Teresa Pisani, economic affairs officer and project lead at UNECE, said. “At UNECE, we aim to enhance traceability approaches by exploring new and innovative solutions that help identify and address negative impacts in the fashion industry.

Therefore, it is only right that we collaborate with Haelixa, and engage in a shared ambition as part of The Sustainability Pledge. The complementation of UNECE blockchain pilots with Haelixa DNA markers is a great way to substantiate the digital world with the physical reality and is a right step forward to a sustainable value chain transformation at scale.”

Haelixa Ltd. is a Swiss company that drives development and commercialization of disruptive product traceability solutions to ensure reliable supply-chain traceability, with a special focus on textile materials and precious minerals. Haelixa technology is based on forensic DNA markers, which are physically applied to the raw material and stay linked to it, providing a unique traceable identity from the source.

Source: sourcingjournal.com- Oct 12, 2022

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Indonesian factories face export slowdown amid potential global recession

Indonesia's textile factories have been hit by cancellations of overseas orders as the threat of a global recession looms, and other businesses are expected to face a slowdown in exports in the coming months.

Due to unfavourable economic conditions such as high inflation in major export destinations, particularly the United States and European Union, Indonesian textile exporters saw their buyers cancel orders in the third quarter of this year, said chairman of the Indonesian Fibre and Filament Yarn Producers Association, Redma Gita Wirawasta.

"Demand from the US and EU are dwindling. Around 40 per cent of orders have been cancelled," he told The Straits Times.

The lower demand in overseas markets, and stiffer competition in the domestic market due to a surge in imported products from the end of the second quarter, have resulted in the accumulation of stocks, causing factories to cut production, he added.

In textile production centres in West Java and Central Java, a number of factories are temporarily imposing mandatory leave on their workers, he noted.

A gloomy outlook also clouds the export-oriented footwear industry.

American and European buyers already projected fewer orders for their Indonesian suppliers in the fourth quarter of 2022 and the first half of 2023, said Mr Budiarto Tjandra, deputy chairman of the Indonesian Footwear Producers Association.

The US and EU account for 60 per cent of Indonesian footwear exports.

"They usually reduce orders when their inventory is high," he said, adding that the decline in future purchases is "quite significant".

The World Trade Organisation forecast a slowdown of global trade growth in 2023 as sharp increases in energy and food prices, coupled with surging interest rates, curb import demand. Trade will expand by only 1 per cent, lower than the 3.4 per cent forecast earlier, it said on Oct 5.

The International Monetary Fund on Oct 11 predicted that global growth will slow to 2.7 per cent in 2023, and warned of a risk of global recession spurred by interest rate hikes.

Indonesian Chamber of Commerce and Industry deputy chairman Shinta Widjaja Kamdani said that Indonesian exports of value-added goods, such as clothing, wearable electronics and automotive, will likely be affected by the weaker purchasing power of overseas buyers in 2023.

"The decrease in demand will be largely felt by industrial sectors and companies whose exports are focused more on markets with high potential crises next year, such as the US, EU, Japan, or even China," she said.

Executive director of Centre of Reform on Economics Indonesia, Dr Mohammad Faisal, said that the weakening exports will materialise in the fourth quarter of this year, as a number of purchase orders were cancelled, and will continue next year.

He warned that the risks of export slowdown will go beyond manufactured products, affecting outbound shipment of commodities such as coal to top buyers, especially China. "The trade surplus will likely shrink and possibly turn into a deficit when not only export volume, but its value, also drops as a result of falling prices," he said.

From January to August 2022, Indonesia's non-oil and gas exports climbed by 35.24 per cent to US$183.73 billion (S$264 billion), while its imports rose by 22.71 per cent to US$132.06 billion, resulting in a surplus of US$51.67 billion.

Shinta said the government needs to support exporters in diversifying trade, including by expediting logistics services to new export destinations and enhancing trade facilitation through free trade agreements.

This will help sustain Indonesia's export levels to some extent when global demand contracts in times of a crisis, she added.

Source: thestar.com.my- Oct 13, 2022

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Bangladesh: Gas supply crunch stifles Bangladesh apparel industry

Fatullah Dyeing and Calendering Mills was once abuzz with activity round the clock but it now remains operational only eight to nine hours a day and its production more than halved in September due to a gas crisis.

Its owner Fazlee Shamim Ehsan fears losing the confidence of foreign buyers for the delay in delivering goods. He said the factory now gets gas at a rate of 1.5-2 pounds per second where it was supposed to be 15 PSI. “The highest was 3 PSI in the last week. We’ve failed to make shipments on time.”

Shamim said the factory saw 60 per cent less production last month. “Our relationship with foreign customers has deteriorated.”

The gas crisis has taken the pace off of production in Gazipur industrial zone as well.

When the crisis deepened in July, the government had hoped things would return to normal by September. But on Monday, Nasrul Hamid, state minister for power and energy, said they fear the situation will persist at least until November, reports bdnews24.com.

Bangladesh Knitwear Manufacturers and Exporters Association or BKMEA warned that factories might resort to cutting jobs in case of long-term production issues.

Shamim, vice-president of BKMEA, said the gas crisis woes might “deepen further” in the future, as the Russia-Ukraine war continued to rage, worsening the supply crunch globally.
“Without proper shipment, the workers cannot be paid and that will spark discontent among them. We expect the situation to get worse in November.”

According to BKMEA, over 800 garment factories of different sizes are located in Narayanganj, 113 of which are listed as dyeing factories. Along with these, there are more dyeing plants in the district and they primarily run on gas. Some factories use gas to generate electricity.

Industrial entrepreneurs said the factory owners were hoping to pull through the crisis. But their woes have only deepened and put them on the brink of losses.

Mohammad Hatem, executive director of BKMEA and owner of MB Knit Fashion Ltd, said his factory remained shut for four days last week due to a lack of gas. “My factory works on fabrics brought in from other plants, where the gas supply crunch disrupted production.”

The crisis has now reached an “extreme” level, he said. “No gas all day, only a bit at night. Like Narayanganj, Gazipur’s Sreepur, Bhaluka areas also suffer gas supply cuts from 5pm to 5am. This is causing major disruption in production.”

“We saw a 9 per cent fall in exports last month after a 28 percent growth the month before. The gas crisis is primarily responsible for that. The fall in exports is similar to what it was during the COVID times.”

“Sometimes gas pressure slumps below 1 PSI while we need at least 4-5 PSI to run the machinery. It’s created a multi-faceted crisis.”

The apparel factories in the country have several units -- spinning, knitting and dyeing, and they rely on one another. When raw materials like textiles or fabrics are not available in the factories, the factories import the materials. But the depleted foreign currency reserves and higher dollar prices have caused import expenditures to soar, said Hatem.

State gas transmission and distribution company Titas is in charge of supplying gas in Narayanganj, where 66,000 legal residential consumers and 591 industrial units depend on its supply.

Mamunur Rashid, deputy general manager of the regional office, said the region requires 80 million cubic metre of gas per month, but the supplies are limited to 65 million cubic metre.

Narayanganj had always suffered from gas shortages, he said. “The issue has become worse now. We are working on it. But the main problem is that we are not getting as much gas as we need. On top of that, we are having to supply more gas to power plants to tackle the power crisis.”

Mamunur hopes the crisis will ease in winter. “The demand for power falls in winter. In that case, we’ll be able to lower our supplies to power plants and boost deliverance to other customers.”

PRODUCTION CUT BY “HALF”

Md Faruque Hassan, president of Bangladesh Garment Manufacturers and Exporters Association or BGMEA, said the gas users across the board are suffering due to the crunch.

“Apparel production has slipped by 50 per cent. The factories have been unable to send goods to buyers on time and are falling short of demand. So the buyers are purchasing clothing from other countries at higher prices. Our orders have plunged over the past three months.”

Owner of Gazipur’s Giant Textiles, Faruque said: “Steam produced by gas is needed to process fabrics at garment factories. Insufficient gas is disrupting fabrics manufacturing.”

Md Fazlul Haque, general manager of Lakshmipur’s Sparrow Apparels, spoke of using diesel as a replacement for gas, which is kicking up the expenditures at least four times.

Fazlul said his factory, too, is struggling with production cut by half, which is delaying staff payment and goods delivery.

MP Abdus Salam Murshedy, managing director of Eco Garments and Fontina Apparels, said disruption in continuous gas supply also “affects the quality of goods” bringing huge losses to factory authorities.

In the last financial year, Bangladesh racked up $52.08 billion in export gains and the garment sector generated 82 percent of that. The first two months of this financial year had delivered hopes of growth in export earnings.

Traders in the sector think the impact of curtailed production on the economy will be apparent in the coming months.

LOWER EARNINGS, STAFF CUT

BKMEA President Hatem said the workers' earnings are dropping while factories are resorting to sacking to balance out expenditures.

"Less production means lower salaries [for work-based employees]. On the other hand, salary-based workers are being sacked because there's not enough work in the factories. Where will we get the money to pay them?"

Hatem said his factory fired over 100 workers and feared rising discontent among the rest.

"We sat with the prime minister's energy adviser, ministers, secretaries, Titas chairman and managing director multiple times, but received no positive messages."

DEMAND-SUPPLY GAP

According to state-run agency Petrobangla, Bangladesh generated 3,117.7 million cubic feet of gas against 3,760 million cubic feet capacity per day four months ago on Jun 10.

At that time, it imported 775 million cubic feet of gas and the rest came from domestic gas fields.

On Oct 10, the total supply in the country slumped by around 14 percent to 2,671.7 million cubic feet -- 2,291 million cubic feet produced in the country and 380.6 million cubic feet LNG brought in from overseas.

While the supply from within the country declined by 3 percent, the amount of LNG dropped by half in the space of four months.

Titas supplies to Dhaka, Gazipur and Narayganj also saw decline. On Oct 10, it delivered 1,378.3 million cubic feet of gas against a daily demand of around 1,700-1,800 million cubic feet. The supply was 1,720.5 million cubic feet on Jun 10.

WHAT GOVT SAYS

State Minister Nasrul said the government had planned to meet the gas deficit through imports by October but failed.

“We thought it was a temporary problem but that is no longer the case. The global situation has changed the dynamics of the issue.”

He spoke of “holding tight” for another couple of months. “We'll have to struggle through this month. We’re trying to make some improvements starting next month. Our target is to meet the shortage in factories at first.”

“We are giving priority to export-oriented industries so that they can at least meet the purchase orders for the last month. We are also prioritising fertiliser plants, so power generation is being disrupted.”

Nasrul said there was “no hope” of the power cuts improving before November. “We are keeping some power plants shut during the day while those running during daytime remain shut at night. This is stretching the blackouts.”

Source: thefinancialexpress.com.bd- Oct 12, 2022

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Parasite may cut Ivory Coast cotton output

A parasite known as “jasside” could reduce Ivory Coast’s cotton out by between 30% and 40% this year, the head of the cotton and cashew council Adama Coulibaly told Reuters on Wednesday. Jasside has attacked cotton crops before but it is the first time it hits at such a scale, Coulibaly said.

Crops in the north of the West African country first started to show signs of deterioration in July. “It is very concerning. Many plots have been destroyed,” Coulibaly said. “Many producers are in disarray.

We do not yet have figures but we estimate losses of between 30 and 40 percent this year.”

Ivory Coast, the world’s top cocoa producer, was among Africa’s leading cotton exporters before civil war broke out in 2002. Its cotton sector has been recovering for the past decade after years of political turmoil caused production to plummet.

Source: brecorder.com- Oct 13, 2022

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NATIONAL NEWS

India is a bright light economy, but key structural reforms needed for USD 10 trillion GDP: IMF chief economist

India has emerged as "a bright light" at a time when the world is facing imminent prospects of a recession, the chief economist of the International Monetary Fund (IMF) said on Wednesday, noting that the country, however, needed key structural reforms in order to achieve the ambitious target of being a USD 10 trillion economy.

Pierre-Olivier Gourinchas, chief economist of the IMF said: "Well, India is, I want to say, sort of bright light. The Indian economy has been doing reasonably well."

In its World Economic Outlook on Tuesday, the IMF projected a growth rate of 6.8 per cent in 2022 as compared to 8.7 per cent in 2021 for India.

The projection for 2023 slides down further to 6.1 per cent, he noted.

Responding to a question on the ambitious goal of India becoming a USD 10 trillion economy, Gourinchas told PTI that he certainly believes this is achievable.

"I mean, we've seen a number of countries grow at very fast rates in the past and really develop very rapidly. So, I think it's certainly, now it's not necessarily an easy task, but I think, yes, there is certainly an enormous potential for an economy like India," he told PTI in an interview.

To do so, India needs to carry out a number of structural reforms, he observed.

"Well, there are certainly a number of structural reforms that are or improvements are needed in the economy like India. There have been a number of reforms already," he said.

For instance, India is very much at the forefront of digitalisation, he said.

"The way these digital tools can be deployed to improve financial inclusion or to facilitate access to administrative services, and things like that. And that is a testimony to the sort of innovation in that sector that is happening in India," he observed.

"But beyond that, there are needs for reforms that will actually boost potential growth. It's not just about stabilising the economy around the potential growth that it has right now. In order to unleash India's potential, a lot of reforms have to be implemented that will boost productivity growth," Gourinchas told PTI in response to a question.

"Here, of course, we can think about improvements on the health side, we can think about improvements on the education side, social spending, digital literacy and access, we can think about infrastructure," he suggested.

"There is a range of areas where, you know, public infrastructure broadly defined, not just in terms of buildings and roads, but also investing in human, investing in people and human capital, health, education, etc. is going to help the economy really, really grow very fast on a continuous basis," said the IMF chief economist.

In response to a question, the chief economist said the Indian economy had rebounded from the pandemic downturn.

The slowdown between 22-23 is going to be reflecting basically, the fact that the global economy is also slowing down and that the external factors are going to reflect on today's economy, high energy prices, the slowdown in external demand and the weakening of global confidence in general, he stressed.

"So that's weighing down a little bit. The revision downwards that we have in 2022 is again due to some of the tighter financial conditions and external conditions. But there was a little bit of a weak first quarter of the fiscal year that has factored into the revision," he said.

The Indian economy is a bright spot in today's world because its growth is still fairly robust, he said.

"India is one of the largest economies. So, when it's really growing at solid rates like 6.8 or 6.1, it is really noticeable.

In a picture where all the other economies and advanced economies, rarely grow at that speed, but even other large countries don't do as well in the current year or next year in our projections. So it's certainly extending out," Gourinchas said.

Source: economictimes.com- Oct 13, 2022

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Helping the Global Cotton-Textiles Sector Manage the Economic Tsunam

Textiles and other manufacturing sectors are looking for strategies to ride out the economic storm.

Financial support provided by many governments during COVID-19 created aggregate demand for many commodities such as textiles and electronic items, which led to price hikes and, hence, volatility in the market. Following this runaway demand scenario, due to inflation, monetary interventions are being imposed by national banks, which may lead to a recession in 2023. The IMF predicts slow growth in 2023, with negative growth in developed economies like Germany and Italy.

The economic tailspin and monetary interventions are dampening demand, which is affecting many sectors, particularly textiles. The cotton price has come down steeply since this summer, and spinning mills are operating at a loss in India and other countries. Mills in the State of Andhra Pradesh, India have announced temporary closures, while mills in Tamil Nadu are running at about 70% capacity.

"Our normal production capacity is 13 tons/day of cotton yarn, but due to weak demand, we are running at 7 tons/day," states Velmurugan Shanmugam, General Manager of Jayalakshmi Textiles.

With adversity comes opportunity. The textile sector should analyze the current situation and explore new strategies that can shield them from such future scenarios. I have articulated the "4S Principle" proposed by the United States Department of Defense – Sense, Shape, Shield, and Sustain. How apt this strategy is for the textile industry now! The industry needs to sense the situation, plan (shape), and put forward a growth plan (shield and sustain).

Companies must have Disaster Management Plans, says Ranga Rajan Sampath, an accounting professional with experience in manufacturing, trading, and IT in many countries such as Maldives, India, The Netherlands, and the United States. The plan should involve both Disaster Recovery and Business Continuity (when the business runs smoothly).

According to Sampath, companies should identify risks (some may not be known such as the COVID-19 pandemic), resources, strengths, and weaknesses such as financial and personnel to handle demanding situations. Such planning will come in handy to manage unforeseen situations when there is a structure in place.

More importantly, effective, candid, and timely communication is essential, adds Sampath. This has become clear during the ongoing pandemic and the current economic crisis. The way United Kingdom handled the mini-budget proposal recently without effective communication shows how good intentions can lead to negative results due to a lack of reasoning and clear communication.

Learning and skill enhancement need to be an ongoing education process in the industry. Relying on his own experience in the IT sector, Sampath emphasized that every day is a learning process. Management should support the personnel development by providing opportunities for skill enhancement that can cater to short- and long-term needs. Management should enable interaction among production, finance, personnel, and marketing units, which will help with holistic personnel development and crisis management.

“When we are in crisis, efforts are needed to plan and act differently,” states Shanmugam. “In India, where the spinning industry is at its maximum capacity, we should plan for modernization to cut the cost, enhance quality, and develop new products.”

As a case in point, more interaction with the government is needed in India to diversity the sector and look for vertical integration. This needs resource planning and allocation, effective communication with stakeholders (particularly with the public), and investments in R&D. As these growth plans involve infrastructure development such as new industrial zones, pollution control, and more, the public must be engaged to garner broad-based support.

The textile industry needs rethinking, retooling, and skill enhancement. The past two years have been a challenge, but the lessons learned will be valuable.

We have all undergone harsh dry runs of handling demanding situations socially and economically. “Dry runs should come in handy to help manage future stressful scenarios,” reminds Sampath.

Source: cottongrower.com- Oct 11, 2022

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Will US, Europe slowdown hit India's early stage start-ups?

In 2021, India was undoubtedly the new unicorn factory where start-ups were the "ray of hope" in a Covid-ravaged landscape. Much has obviously changed since. And, unfortunately, mostly for the worse. What will the toxic brew of US inflation, pandemic persistence, and European war do to the Indian start-up ecosystem? What will be the impact of the expected slowdown on the Indian economy?

Spoiler alert: For early-stage investors, it's a good thing. For late-stage and IPO investors, it's not so great.

A recent survey of early-stage VC investment firms, to understand whether the slowdown in VC investing in the US and Europe applied similarly to the Global South, showed that it is largely consistent with the experience in India:

Velocity at pre-seed and seed has slowed only a little, but the later stage has slowed considerably, with investment rounds trending towards taking 3-6 months longer to close. Valuations are coming down, slowly (as is typical during VC slowdowns). On average, pricing of earlier-stage deals are 15-20 per cent lower, and later-stage deals by over 30 per cent.

Competition for the best deals is expected to remain strong well into 2023, although nearly all firms believe today's more sane pace of investing will continue for at least the next year.

So, what are the impacts of slowed investments on an early-stage VC portfolio and investing programme in India? Not much if the companies in the portfolio are well-managed, and have 18-24 months' cash runway and/or a path to profitability. From a longer-term perspective, the slower pace means there's more time for due diligence and to make better decisions.

To understand what sectors might do better, there's a need to start with the fundamental question: How will India fare in the upcoming global slowdown? Deloitte, for instance, is optimistic, and expects India to grow by around 7.1 per cent in FY22-23 and 6 per cent in FY23-24But Nomura's growth outlook for 2023 is 5.4 per cent.

Sectors that serve India's domestic consumption are likely to do fine, while others that are more deeply bound to demand from the US and Europe are likely to take a hit.

From an early-stage VC perspective, companies in fintech, edtech, and mass e-commerce are likely to continue to do well, provided they are not in the group of later-stage overvalued companies that were pursuing growth-at-all-cost programmes.

The scepticism of an investor in today's testing times is understandable. Early-stage investors are now looking for substance beyond just vanity metrics. However, there is a silver lining. Even in this environment, investors are willing to back companies that clearly demonstrate capital efficiency, "mindful growth" and a clear path to profitability.

Most reckless-spending founders have now come to face the harsh truth — growth-at-all-costs is no longer in vogue and the flood of abundant capital has ended.

The philosophy today is to identify companies with the holy trinity of success — solving problems for the masses, sound unit economics, and resilient founders. Finally, it boils down to the founders' resilience and agility. It is not for nothing that they say: tough times never last but tough people do.

Source: thehindubusinessline.com- Oct 12, 2022

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India-UK trade deal on verge of 'collapse' over visa comments: Report

The India-UK free trade agreement (FTA) is reportedly on the verge of collapse after the Indian government was angered by comments made by UK Home Secretary Suella Braverman questioning action over visa overstayers from the country, a UK media report claimed on Wednesday.

The Times' newspaper quoted government sources to say that ministers in New Delhi were shocked and disappointed by the disrespectful remarks made by Braverman, who said she had concerns of an open borders offer to India as part of an FTA.

The likelihood of meeting the Diwali deadline for the pact, set by former Prime Minister Boris Johnson, is now believed to be diminishing.

There's still a lot of goodwill but if certain individuals are still embedded in the [UK] government it will paralyse the talks, the newspaper quoted a source as saying. Last week, Braverman, the Indian-origin Home Secretary said in an interview that she feared a trade deal with India would increase migration to the UK when Indians already represented the largest group of visa overstayers.

I have concerns about having an open borders migration policy with India because I don't think that's what people voted for with Brexit, she told The Spectator' weekly news magazine.

Asked about visa flexibility for students and entrepreneurs under an India-UK FTA, she said: But I do have some reservations. Look at migration in this country the largest group of people who overstay are Indian migrants.

We even reached an agreement with the Indian government last year to encourage and facilitate better cooperation in this regard. It has not necessarily worked very well.

Braverman was referencing the Migration and Mobility Partnership (MMP) clinched between her predecessor in the Home Office, Indian-origin former Home Secretary Priti Patel, and External Affairs Minister S. Jaishankar in May last year.

The Indian High Commission here responded by pointing out that action had been initiated on all cases referred to it under the MMP.

Mobility has been the key Indian ask and everything else financial services, banking, education, rules of origin on whisky, etc, hinges on the mobility ask. And Suella has gone and pulled the rug from under that mobility ask, a senior UK government source told The Times'.

They were apoplectic. Mad doesn't even come close to describing how angry they are, noted another. While the perception is that Braverman is on a collision course with British Prime Minister Liz Truss, who is keen to clinch the FTA by the Diwali deadline, the report indicates that both are aligned on the issue of migration.

Meanwhile, the Indian High Commissioner to the UK, Vikram Doraiswami, met Truss at Downing Street on Tuesday evening after which he tweeted: Delighted and honoured to greet the PM Liz Truss at the 10 Downing Street this evening and to seek her guidance to build the very special India-UK partnership in trade, investment, defence and through the Living Bridge.

Strategic experts on both sides are now of the view that if the Diwali deadline for the FTA is still met, the result would be a much less comprehensive deal than was expected, leaving key sectors open for future negotiations. UK Trade Secretary Kemi Badenoch seemed to lay the groundwork for this last week, when she said that an FTA with India would not mean that we can't do even more later.

The Department for International Trade (DIT) reiterated the UK stance that it would not sacrifice quality for speed. It said: We have a close, positive working relationship with India and a thriving trade partnership worth GBP 24 billion in 2021. We continue to seek improvements to our current trading relationship. This is why we are negotiating a high-ambition free trade agreement.

We remain clear that we won't sacrifice quality for speed, and will only sign when we have a deal that meets both countries' interests," it added.

Source: business-standard.com - Oct 12, 2022

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Run-up to Budget: Monetary threshold for GST offences may rise to Rs 25 cr

As part of its drive against decriminalisation, the Centre is contemplating raising the monetary threshold for initiating prosecution for cognisable and non-bailable offences related to the goods and services tax (GST) to Rs 25 crore and above.

At present, if the amount of tax evaded or input tax credit wrongly availed of is Rs 5 crore or above, the prison term may be extended to five years.

The Central Board of Indirect Taxes and Customs (CBIC) — an apex body for indirect taxation matters — is learnt to be revising some provisions under Section 132 (deals with prosecution) and Section 162 (deals with compounding of offences), keeping lower conviction rate and changing dynamics of businesses in mind, said a senior official privy to the plan.

The revenue department is of the view that the monetary threshold is lower for serious offences and arrests be made in exceptional cases.

If the amount evaded exceeds Rs 2 crore (but not more than Rs 5 crore), the jail term could be three years. If tax evaded is more than Rs 1 crore (but less than Rs 2 crore), the incarceration period is a year.

The department is even considering rationalising the threshold set for arrest in non-cognisable and bailable offences under the GST regime. Sources say it may hike the monetary limit to Rs 2 crore with a minimum jail term of a year.

This may also involve tweaks for the purpose of arrest which could be made in the case of serious offences, observed the official.

The revenue department is learnt to have sought inputs from industry stakeholders. They suggested doing away with jail terms in minor tax evasions and settle them through compounding, citing ease of doing business, said another official. They also suggested the monetary threshold for non-bailable offences related to GST be increased to Rs 50 crore.

According to people in the know, the department is also revisiting existing compounding provisions and contemplating whether the fee be imposed on the basis of turnover of businesses.

For example, small businesses with a Rs 5-10-crore turnover may be asked for a lower fee (15-20 per cent) on total tax involved.

Currently, the provision of compounding requires a 50-150 per cent fee.

The relevant changes to the GST law are likely to be placed before the GST Council at its upcoming session. Once the Council approves, they are expected to be notified during the Budget session.

M S Mani, indirect tax partner, Deloitte, said, “Prosecution should be resorted only in extremely rare situations after establishing mala fide intent. It is essential to curb evasion. It is even more essential to enable businesses to operate without the fear of prosecution and attendant proceedings,” he said.

“The increase in threshold limits for prosecution, decrimimalisation of certain offences, etc under GST legislation would help in reducing litigation between the tax department and assessees. This is likely to ensure more focused investigation by the tax department in cases involving high-value GST evasion,” said Saurabh Agarwal, tax partner, EY.

As part of the ongoing decriminalisation drive, the CBIC on August 17 issued guidelines wherein it clarified how prosecution can be initiated and the procedure to be followed at the time of such initiation by department officials.

These guidelines state that approval for arrest under the GST Act shall be granted for cases wherein clear intent of tax evasion or violation exists. The notification also stated that approval for arrest should not be granted if tax discrepancy is based on the difference of legal opinion in the interpretation of the law.

So far, the CBIC has made 960 arrests, including of 20 chartered accountants, under the current provision.

REVISITING PROSECUTION PROVISIONS

Three key provisions under GST regime

If the amount evaded/input tax credit wrongly claimed is...

- Rs 5 crore & above: Five-year extendable jail term, cognisable and non-bailable
- Rs 1 crore: One-year jail term, bailable
- Rs 2 crore and Rs 5 crore: Three-year jail term, bailable
- Revenue department observes lower conviction rate and change in business dynamics warranting change to existing provisions
- Seeks inputs from stakeholders to decriminalise current provision for ease of doing business
- Could be taken up in upcoming GST Council meeting
- May lower compounding fees for small businesses

Source: business-standard.com - Oct 12, 2022

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QUICK ESTIMATES OF INDEX OF INDUSTRIAL PRODUCTION AND USE-BASED INDEX FOR THE MONTH OF AUGUST 2022 (BASE 2011-12=100)

The Quick Estimates of Index of Industrial Production (IIP) are released on 12th of every month (or previous working day if 12th is a holiday) with a six weeks lag and compiled with data received from source agencies, which in turn receive the data from the producing factories/ establishments.

2. For the month of August 2022, the Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 stands at 131.3 The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of August 2022 stand at 99.6, 131.0 and 191.3 respectively. These Quick Estimates will undergo revision in subsequent releases as per the revision policy of IIP.

3. As per Use-based classification, the indices stand at 129.4 for Primary Goods, 95.7 for Capital Goods, 145.6 for Intermediate Goods and 150.8 for Infrastructure/ Construction Goods for the month of August 2022. Further, the indices for Consumer durables and Consumer non-durables stand at 118.6 and 133.6 respectively for the month of August 2022.

4. Details of Quick Estimates of the Index of Industrial Production for the month of August 2022 at Sectoral, 2-digit level of National Industrial Classification (NIC-2008) and by Use-based classification are given at Statements I, II and III respectively. Also, for users to appreciate the changes in the industrial sector, Statement IV provides month-wise indices for the last 12 months, by industry groups (as per 2-digit level of NIC-2008) and sectors.

5. Along with the Quick Estimates of IIP for the month of August 2022, the indices for July 2022 have undergone the first revision and those for May 2022 have undergone final revision in the light of the updated data received from the source agencies. The Quick Estimates for August 2022, the first revision for July 2022 and the final revision for May 2022 have been compiled at weighted response rates of 90 percent, 92 percent and 94 percent respectively.

6. Release of the Index for September 2022 will be on Friday, 11th November 2022.

Click here for more details

Source: pib.gov.in- Oct 12, 2022

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GST's secret sauce: Tax collections continue to surge but for how long?

Tax collections data for the first half of the current financial year have just been released. The numbers indicating growth in collections look impressive. Direct taxes, consisting primarily of corporation and personal income taxes, have grown by 24 per cent, while the goods and services tax, or GST, have shown an increase of 31 per cent.

The data for excise and Customs are available only for the first five months and both indicate a decline of 17 per cent and 14 per cent, respectively. The trends that emerge from these numbers, however, tell you a more nuanced story about tax collections.

From the point of view of the Union Budget and the need to stay below the fiscal deficit target of 6.4 per cent of gross domestic product, or GDP, these tax collection numbers certainly augur well for the state of public finances. Gross tax revenues in 2022-23 were expected to grow by less than 2 per cent and the 19 per cent increase recorded in the first five months is way above that target.

Of course, the government has to carry the burden of both a revenue shortfall on account of a reduction in excise duty on petroleum products and of extra expenditure, not provided for in the Budget, like the extension of the free food ration scheme and an increase in fertiliser subsidies.

But there are also savings on account of lower food procurement and unused funds allocated to a few central ministries. On the whole, the government is justifiably confident of meeting its fiscal deficit target for the year and has indeed planned for a lower borrowing during the second half of 2022-23.

But higher tax collections should also be judged by how well the revenues have grown in relation to the expansion in the nominal size of the economy. There is no official data on the size of the Indian economy in the first half of 2022-23. But comparing tax collections with the size of the economy in the first quarter, for which period the GDP number is available, tells a slightly different story.

During April-June 2022, the Centre's gross tax revenues rose by 22 per cent to Rs 6.5 trillion, but the tax-to-GDP ratio had fallen. The share of tax revenues in GDP had declined from 10.35 per cent in April-June 2021 to 10 per cent in the same period of 2022. The government had projected the share of gross tax receipts in GDP at 10.7 per cent in 2022-23 and the first quarter's performance was not encouraging.

Note that the gross tax revenue growth has already begun to slow down. It was 22 per cent in the first quarter of 2022-23 and in the first five months, it was down to 19 per cent. Even direct taxes growth has slowed down in this period — from 35 per cent in the first quarter to 29 per cent recorded in the first five months of the current financial year.

Take another yardstick — advance tax collections, which are an indication of what taxpayers anticipate their earnings and tax liability to be in the coming months. Advance tax collections by June 15 grew by 33 per cent, but by the end of September 15, the growth was only about 12 per cent. The second quarter advance tax collection figures clearly indicate a none-too-encouraging situation with regard to economic growth.

The decline in excise collections is understandable as the government had cut excise duty on fuel products to rein in their retail prices. This led to a decline of 17 per cent in April-August 2022, which was higher than the 14 per cent drop that had been projected in the Budget for 2022-23. And this gap may widen a bit over the next few months, given the current trend of international crude oil prices and the government's desire to keep inflation under check.

What about GST revenues? Total GST collections in the first half of 2022-23 have grown by 31 per cent, even though the month-on-month revenues growth has remained virtually flat after May. The big question is, for how long will this growth in GST collections be maintained? To be sure, the share of GST collections in the April-June quarter of 2022 in GDP was 6.97 per cent, higher than the 6.5 per cent in the same quarter of 2021 and 6.24 per cent in the January-March quarter of 2022.

But it is important to recognise that this growth is aided significantly by imports. Even as total GST in April-September 2022 grew by 31 per cent, the component of integrated GST or IGST levied on imports increased by 44 per cent.

In other words, the share of IGST on imports in total GST rose to 27 per cent. This share was 25 per cent in the whole of 2021-22 and even lower at 22 per cent in 2019-20. It is now becoming increasingly clear that rising imports have played a significant role in sustaining the buoyancy in revenues from the GST.

This takes one to the perceived notion of declining Customs revenue. It may be a puzzle to many that even as India's merchandise imports are rising at a steady pace (they grew by 38 per cent in April-September 2022), the Customs collections have fallen. But the fact is with a rising share of IGST on imports in total GST, the total collection of taxes on imports has been on a steady rise. Customs revenue rose from Rs 1.09 trillion in the pre-Covid year of 2019-20 to Rs 1.99 trillion in 2021-22, just as IGST on imports rose from Rs 2.66 trillion to Rs 3.75 trillion in the same period.

It is true that Customs revenue in the first five months of 2022-23 fell by 14 per cent, but taken together with IGST on imports, the government's total tax revenue from imports in this period has gone up by 24 per cent. A depreciating rupee and higher commodity prices may have contributed to this. But those who look at only India's Customs revenue and conclude that India still has a relatively low import duty collection rate (total imports divided by revenue collected) should think again.

Source: business-standard.com- Oct 12, 2022

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Unseasonal rains drive cotton yarn prices up in south India

Unseasonal rains and buyers' interest have pushed cotton yarn prices up by ₹2-10 per kg for various varieties in South India's Mumbai and Tiruppur markets today. According to traders, the increase in cotton prices supported yarn prices. Buyers also rushed to the market in anticipation of a price rise, but it is unclear if the trend will sustain or not.

Cotton yarn prices in the Mumbai market witnessed a recovery of ₹2-10 per kg. The recent rise in cotton prices and the fear of possible hike encouraged buyers to come back to the market. "Buyers came back to the market, so prices gained up to ₹10 per kg. However, their buying interest in the coming days will decide the direction of the market," a trader from Mumbai market told Fibre2Fashion.

In Mumbai, 60 count carded cotton yarn of warp and weft varieties were traded at ₹1,610-1,650 and ₹1,550-1,620 per 5 kg (GST extra) respectively. 60 combed warp was priced at ₹372-382 per kg.

80 carded (weft) cotton yarn was sold at ₹1,550-1,590 per 4.5 kg. 44/46 count carded cotton yarn (warp) was priced at ₹316-321 per kg. 40/41 count carded cotton yarn (warp) was sold at ₹295-305 per kg and 40/41 count combed yarn (warp) was priced at ₹322-335 per kg, according to Fibre2Fashion's market insight tool TexPro.

In Tiruppur market, cotton yarn gained ₹5-10 per kg as buying interest increased slightly today. Rains in various states also supported cotton yarn prices. Last week, spinning mills had slashed yarn prices by around ₹30-40 per kg. "Last week's steep fall in prices made cotton yarn attractive for buyers. The probability of price rise after recent rains also encouraged them. The market will now get direction from consistency in buying," a trader from Tiruppur told Fibre2Fashion.

Today, 30 count combed cotton yarn was traded at ₹315-325 per kg (GST extra), 34 count combed at ₹320-330 per kg and 40 count combed at ₹335-345 per kg in the Tiruppur market. Cotton yarn of 30 count carded was sold at ₹295-300 per kg, 34 count carded at ₹300-305 per kg and 40 count carded at ₹305-315 per kg, as per TexPro.

In Gujarat, cotton prices increased by ₹2,000-3,000 per candy of 356 kg from last week as unseasonal rains delayed crop arrival and affected crop quality. Shankar-6 cotton was traded at ₹71,500-73,000 per candy.

According to market sources, rains have supported market sentiments although the market direction is not clear yet. Farmers are not ready to sell seed cotton at current prices of ₹1,700-1,800 per maund of 20 kg. Meanwhile, spinning mills are delaying buying cotton from ginning mills due to a low demand from the weaving industry. Daily cotton arrival was at 10,000-11,000 bales of 170 kg each.

Source: fibre2fashion.com- Oct 11, 2022

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