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The Cotton Textiles Export Promotion Council [TEXPROCIL]
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IBTEX No. 169 of 2017 August 18, 2017

USD 64.14 | EUR 75.23 | GBP 82.65 | JPY 0.58

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19864	41550	**82.63**

Domestic Futures Price (Ex. Gin), October

Rs./Bale	Rs./Candy	USD Cent/lb
18350	38384	**76.33**

International Futures Price

NY ICE USD Cents/lb (Dec 2017)	66.91
ZCE Cotton: Yuan/MT (Sept 2017)	15,250
ZCE Cotton: USD Cents/lb	**87.87**
Cotlook A Index – Physical	**77.70**

Cotton & currency guide: Cotton market was mostly stable on Thursday's trading session. The December future at ICE managed to close marginally higher at 66.91 cents up 9 points from the previous close. Other contracts were also steady.

However Thursdays trade was much within inside range of previous day's movement indicating market is either waiting for fresh cues to move either side or taking strong support near 66.15 as low made in 15th June.

We believe the unexpected rise in the weekly export sales figure may have supported price to hold strong instead of making another decline.

The USDA US Weekly Export Report was better than expected. Total sales for the week ended August 10th were 257,500 bales (upland 252,700/pima 4,800).

Shipments were 204,300 bales (upland 200,300/pima 4,000).Both sales and shipments are a good jump ahead of last years' stellar performance.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

NAFTA Needs "Major Improvements," U.S. Says as Negotiations Get Underway

U.S. Trade Representative Robert Lighthizer said at the launch of negotiations to revamp NAFTA Aug. 16 that President Trump "is not interested in a mere tweaking of a few provisions and a couple of updated chapters" but instead will seek "major improvements."

Lighthizer said this task will be "very difficult" but expressed hope that the end result will be "freer markets, fairer and balanced trade, and stronger ties between our three countries."

Lighthizer indicated that the negotiations will pursue two objectives. The first is to modernize or create provisions that protect e-commerce, update customs procedures, protect intellectual property, improve energy provisions, enhance transparency rules, and promote science-based agricultural trade. In each of these areas, he said, the U.S. hopes to develop "model provisions that can be used for years ahead and that have the flexibility to adapt to future innovations that we can't even imagine at this point."

Second will be "the tough work" of balancing "the legitimate interests of literally millions of people in our countries," including farmers, businesses, workers, and families. Lighthizer acknowledged that "many Americans have benefited from NAFTA," including farmers and ranchers for whom Canada and Mexico are their largest export markets, but asserted that "for countless Americans, this agreement has failed."

He specifically cited "huge trade deficits," including $68 billion in auto trade with Mexico alone in 2016 and more than $365 billion with Canada over the last decade; at least 700,000 U.S. jobs lost to "changing trade flows resulting from NAFTA," a figure he said many believe is "much, much bigger;" and businesses that have closed or moved because of intended or unintended incentives in the current agreement.

As a result, Lighthizer said, key U.S. priorities will include the following.

- prevent the continuation of large trade deficits and assure balance and reciprocity
- add higher NAFTA content and substantial U.S. content in the rules of origin, particularly for autos and auto parts
- verified (not deemed) country of origin
- include labor provisions in the agreement that are as strong as possible
- ensure that dispute settlement provisions respect national sovereignty and democratic processes
- include provisions to guard against the market-distorting practices of other countries, including third-party dumping and state-owned enterprises
- assure equal access and reciprocity in government procurement and agriculture

Source: strtrade.com - Aug 17, 2017

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Sourcing 2050: As China Goes, the World Follows

All roads lead back to China.

Ron Klein, director of retail and consumer management at Price Waterhouse, said the long-term outlook for global apparel sourcing rotates around one country—China—although no longer as just "the world's factory."

"As China goes, that creates other opportunities for other emerging markets when it comes to producing products for the U.S. market," said Klein, presenting the results of a PWC white paper, "2050: Key Apparel Sourcing Countries—Future View" at Sourcing at Magic in Las Vegas.

"Where China wants to play, it's hard to compete," he said. 'Where China decides it doesn't want to play anymore, that's where opportunities can open up for other players and other countries."

"In terms of consumer goods and apparel, we see a continued fragmentation of retail formats and the rise of a greater middle class and its ability to consume," Klein continued. "While that bodes well for U.S.

brands to have a rising middle class in emerging markets, it also means there are new local competitors. For instance, Chinese local brands have become more sophisticated in serving the local market and meeting increased local demand."

There's been a "new normal" for economic growth in China, Klein noted, with gross domestic product growth for many years scoring annual double-digit increases and now seeing 6 percent to 7 percent annual growth. That being said, China is still adding several hundred million dollars of GDP output a year, "which is still very significant."

This is all part of China trying to transform its economy to the point where "China no longer wants to be the factory of the world. They really want to position their economy to be more service oriented and consumer oriented like to U.S.," Klein said. China implemented the "Made in China 2025" policy in 2015 to upgrade its manufacturing sector toward higher-value goods from the image of cheap consumer products, which is "shifting the perception of China on the world stage."

"They don't want generations to toil in factories," Klein said. "They want their future generations to work in offices and white collar and high-tech jobs because they believe that leads to happiness and social harmony and stability, and gives a better quality of life."

China is investing in high-value production and pushing out low-value manufacturing, which is a lot of what is sourced now in apparel and accessories, and thinking out where they should invest in the future.

"As the government tries to move to a more consumption-based free market economy, they recognize they have to reduce overcapacity," he said. Much of these policies relate to China's "One Belt, One Road" efforts, which he said is aimed at "shifting the power balance" geopolitically and economically in the world away from the West to China.

On Belt, One Road consists of more than 65 countries and 40 percent of the world's GDP.

"China sees it can shift the balance of power by changing the pulse of gravity by investing in building deeper alliances across Asia with investments in infrastructure projects throughout Southeast Asia and East

Africa," Klein said. "One Belt, One Road puts China in a position to help build those economies and support its own state-owned enterprises."

China is also part of the ASEAN Economic Community free trade zone consisting of a consortium of nations across Southeast Asia.

However, the shift in consumer buying habits and the emergence of digital commerce does open up needs for faster production turn times and more localized manufacturing capabilities, Klein noted, notably in Central America, Mexico and the U.S.

He cited a recent study PWC did for a client that showed in five years, Mexico and China cost of manufacturing would equalize, given rising labor and other costs and China and proximity to the U.S. market and lower logistics expenses in Mexico.

"When we think about the future of sourcing, the ability to leverage analytics and...the speed of decision making is and having a strategic business partner" becomes more important, Klein added.

Source: sourcingjournalonline.com- Aug 15, 2017

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Vietnam Remains Second Only to China in Sourcing

The Trans-Pacific Partnership might be dead, but Vietnam remains a strong second to China on the sourcing landscape.

Experts on Vietnam's manufacturing capabilities, speaking on a panel at Sourcing at Magic in Las Vegas, agree they were disappointed that the U.S. pulled out of TPP and that Vietnam's momentum was impacted, but they insisted that the country is still a major player on the global apparel and textile production scene.

Sheng Lu, assistant professor for fashion and apparel studies at the University of Delaware, presented the results of a study he conducted with the U.S. Fashion Industry Association that showed Vietnam was the second most sourced country after China, with 88 percent of respondents saying they manufactured there.

Lu said the study showed that the most popular sourcing strategy right now is "China Plus Vietnam Plus Many," meaning that global manufacturing is becoming more diversified. The country was rated as the most competitive supplier and one of the most balanced, with a combination of price and speed to market capability, he noted.

"Regarding the next two years, Vietnam is still regarded as a rising star," Lu said of the survey's results. "But the percentage of respondents who planned to increase their sourcing from Vietnam is declining for the previous survey in 2014-2015. Two factors are related to this trend—one is the withdrawal of the U.S. from TPP and the other is rising labor costs in Vietnam."

Avedis Seferian, president and chief executive officer of WRAP, said Vietnam is also the number two country for factories requesting accreditation for compliance from WRAP.

"While a lot of the investment that was made in Vietnam may have been made with the idea that TPP would have made it even more competitive, the fact is it was only made in the first place because it was competitive to begin with," Seferian said. "I do not see Vietnam dropping out of the number two spot just because TPP isn't going to happen."

He said one of the reasons the country is and will remain so competitive is that the country and industry take social compliance seriously and with the realization that companies want to avoid risk. Vietnam's society, Serefian emphasized, understands areas such as rule of law and has a legal framework for compliance to exist and flourish.

Also, Vietnam understands the need for infrastructure, and investment in ports, roads, and electricity, Serefian noted.

"All of these things stand Vietnam in very good stead and make it a great sourcing destination, and one that I think will remain competitive for quite some time," he added.

Steve DiBlasi, vice president of global sourcing for Lanier Clothing, said Vietnam's government has made a "huge investment" in the apparel and textile industry, which has helped put it in a strong global position.

"Despite the loss of TPP, it's still cheaper to make synthetics like polyester in Vietnam than it is in China," DiBlasi said for example.

He agreed that Vietnam's industry recognizes the importance of compliance on a social and business level, and "they treat their workers pretty well. As their labor costs increase, these costs are going to be offset by efficiency gains as they invest in technology."

DiBlasi said, "Vietnam has made a commitment to the apparel and textile industry and getting in and out of Vietnam is quite easy," citing several key ports in key locations.

There are "reasons to be careful," however, including competition for workers, especially with the electronics sector, increasing labor costs and competition for factories with European firms, since Vietnam does have a free trade agreement with the European Union.

Source: sourcingjournalonline.com- Aug 15, 2017

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Bangladesh: Apparel exports to US fall 5.5pc

The country's exports of readymade garments (RMG) to the United States, a major market, have continued to show declining trends this year, according to official statistics.

In the first six months of this calendar year, Bangladesh has exported apparel products worth $2.570 billion, which is 5.5 per cent lower than the value of exports last year.

RMG exports also fell in 2016 when Bangladesh exported garment products valued at $5.3 billion, 1.77 per cent lower than the previous year's apparel exports of $5.4 billion. The year 2015 still saw a growth of 11.74 per cent compared to the exports the year before.

The state of Bangladesh's exports has been reflected in a report on imports of garments from different countries published by the office of textiles and apparel at the US Department of Commerce recently.

It showed that although Bangladesh's apparel exports have fallen by 5.5 per cent in terms of value, the exports in volume decreased just slightly. The country's RMG exports declined 0.86 per cent in terms of units - it exported apparel products made up of 960 million square meters of cloth in the said six months, as against 970 million square meters during the same period last year.

Mohammad Nasir, vice president of Bangladesh Garments Manufacturers and Exporters Association (BGMEA), blamed negative publicity about Bangladesh's apparel industry and lessening of its competitiveness due to higher prices of gas and electricity for the decline in exports to the US market.

"We've taken certain initiative to brand the Bangladeshi apparel products. We'll uphold the progress our industry has made by this time, in front of foreign buyers," he added.

The exports of garments from six major manufacturing countries to the US market marked the lowest growth during the period as the US apparel imports declined.

The world's largest economy imported garments worth $37.24 billion in the first six months of the year, compared to imports valued $37.95 billion during the same period in 2016.

Bangladesh is the third largest exporter of apparel products to the US, followed by Indonesia in fourth position.

Garment exports from China, which is the largest exporter, has also decreased during the period.

However, Vietnam, which stood second in garment exports to the US market, has seen the highest growth at 5.52 per cent during the period.

Source: prothom-alo.com- Aug 14 2017

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USITC to continue investigations on PSF imports

The US International Trade Commission (USITC) has determined that there is a reasonable indication that a US industry is materially injured by imports of low melt polyester staple fibre (PSF) from Korea and Taiwan that are allegedly sold in the US at less than fair value. The department of commerce will continue to conduct antidumping duty investigations.

The preliminary antidumping duty determinations of the department of commerce are due on or about December 4, 2017.

The probe was conducted as a result of the allegations made by Nan Ya Plastics Corp, America, a subsidiary of Taiwan's Nan Ya Plastics Corp, back in June. The probe is not likely to affect the parent company, however, it will have adverse effects on other Taiwanese firms, if they are found guilty, said Taiwanese media reports.

The final rulings on the dumping allegations are likely to be issued by the department of commerce in February and April, next year.

Fine denier PSF, the product covered by the petition is a synthetic staple fibre of polyesters measuring less than 3.3 decitex (3 denier) in diameter. It is generally cut in lengths of less than five inches (127 mm) and is similar in appearance to cotton or wool.

It is typically converted either to yarn for weaving or knitting into fabric or to a non-woven textile prior to the end-use application. Woven applications include the production of textiles such as clothing and bedding linens.

Non-woven applications include the production of household and hygiene products such as cleaning wipes, baby wipes and diapers.

Source: fibre2fashion.com- Aug 16, 2017

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Pakistan: PBC seeks long-term policies to boost exports

A key business policy advocacy group on Thursday called for long-term policies and restructuring of export package to promote value-added exports over a 10-year horizon.

“Short-term measures are not sustainable,” Pakistan Business Council (PBC) said in a letter to the Prime Minister Shahid Khaqan Abassi. “Countries like Vietnam and Bangladesh have achieved exports (of present levels) under long-term policies.”

Meanwhile, a PBC delegation, led by Ehsan Malik, the council’s chief executive officer, also met the prime minister on Wednesday. PBC, which represents at least 60 business groups, said the country’s exports of $20 billion don’t reflect the capability of the country’s resources.

“Whilst global recession is partly to blame, input cost disparities particularly in energy cost, slow refund of taxes, delayed settlement of incentives and the structure of the export package, which going forward will reward incremental achievement with a significant time lag, are also factors impeding growth,” it said.

Government announced Rs180 billion export incentives package in January to boost exports. The council sought a gradual adjustment in rupee value to counter loss of competitiveness of local industries in the international markets.

It said there is a significant opportunity for Pakistan to become a key value chain partner of the Chinese textile companies and other labour-intensive industries with rising labour cost in China. “Pakistan should target to obtain at least three million of 20 million jobs, (which) are likely to be displaced in China,” it added.

PBC said poorly-negotiated trade agreements, smuggling, under-invoicing and mis-declaration of imports have severely undermined domestic industry. “As we renegotiate the FTA (free trade agreement) with China we must approach fresh agreements with caution,” it added.

On China-Pakistan Economic Corridor, the council said it will be a game changer for Pakistan and beneficial to China. “We must ensure that arrangements are configured in a way to maximise indigenous participation, promote jobs by strengthening local industry and protect tax revenues," it added. "We have an unfortunate history of gross misuse of transit facilities. As debt is a material component of financing power projects, notwithstanding Nepra (National Electric Power Regulatory Authority) tariffs, there is a scope to reduce financing cost to make energy available at a more competitive rate."

The pan-industry advocacy group said there is a significant potential to tap overseas Pakistanis to invest in infrastructure projects on a non-repatriable basis. "The country needs to find ways to encourage return of wealth of resident Pakistanis from abroad," it added. "Our tax regime needs to promote capital formation, accumulation and consolidation."

PBC said change in the group tax relief rules, imposition of cascading tax on inter-company dividends, taxes on retained reserves and bonus shares and the continuation of super tax into the third year discourage investment, impede scale, penalise success and thwart the broadening of the capital markets. "Shareholders in listed holding companies… suffer an effective tax rate of 55 percent," it added.

The council, in the letter to the prime minister, said local companies are subject to higher tax rates than the global average. It, however, advocates a higher differential between taxes on filers and non-filers. It urged the government "to make withholding tax a penalty for non-filing as opposed to a revenue collection tool."

Source: thenews.com.pk - Aug 18, 2017

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One U.S. factory goes global, while Trump shrinks the world

Never mind the refrain that the American factory is supposedly a dinosaur in the age of globalization.

Here in the heart of horse country, some 700 U.S. workers are designing and building premium ceiling fans. They tap local engineering prowess and export their wares around the world using a whimsical brand: Big Ass Fans. (Yes, that is really its name.)

But if the company stands as refutation to the premature obituaries for U.S. manufacturing, the people running the operation worry about a looming risk. Talk of trade hostilities from Washington could shrink the globe, potentially yielding policy that could limit U.S. exports while impeding access to crucial components of manufacturing.

The latest concern unfolds this week, as the Trump administration begins to renegotiate the North American Free Trade Agreement, redrawing the terms of commerce with Mexico and Canada.

The president has long criticized NAFTA as a lethal threat to American livelihoods, asserting that it has spurred an exodus of jobs to Mexico while opening the borders to unfairly cheap, tariff-free imports. He has vowed to bring factory jobs back to the U.S.

In outlining its goals for the NAFTA renegotiation, the Trump administration listed as a priority shrinking U.S. trade deficits with Mexico and Canada. Trade experts construed that as an intention to limit imports from those countries.

But many of the imports encouraged by NAFTA are parts and raw materials used by U.S. workers in fashioning finished wares. If Trump limits such imports, that could increase the cost of making goods at many U.S. factories. It could provoke Canada and Mexico to similarly restrict trade, diminishing their purchases of American products.

In short, Trump's efforts to bring work back to the U.S. could eliminate some jobs that are already here.

"Altering NAFTA could fundamentally change the production of the economy — for the U.S., as well as for Mexico — and that will be very disruptive," said Swati Dhingra, an economist at the London School of Economics. "Many of the policies being proposed could end up hurting the people who are being left behind."

Big Ass Fans could wind up paying more for motors it imports from Mexico. It could lose sales to Canada and Mexico, now its two largest export destinations, and the destinations for more than a third of U.S. exports overall.

"If we get into a trade war, that could significantly impact our U.S. production," said Paul Lauritzen, the company's vice-president for manufacturing. "It just seems like the Trump guys are so focused on meeting campaign promises that they have failed to understand the reality of manufacturing and the global supply chain."

In the world economy as depicted by Trump, a product made in Mexico and sold on U.S. shelves represents a theft. Such wares should have been forged in the U.S., using American hands.

In this spirit, Trump first threatened to kill NAFTA, and later agreed to the renegotiation getting underway. He has vowed to slap tariffs on a range of Chinese goods including steel. He has accused his predecessors of destroying U.S. factory jobs by assenting to a series of abominable trade deals.

A growing body of research has concluded that a surge of imported goods produced in low-wage countries — especially China — has indeed eliminated millions of U.S. jobs in recent decades. Some research has found that trade with Mexico modestly depressed wage growth during the 1990s in the most-affected blue-collar industries, among them the textile trade.

"We strongly support President Trump's intention to reopen NAFTA, and agree that it can be updated and improved to significantly enhance U.S. textile production, exports and employment," Auggie Tantillo, president of the National Council of Textile Organizations, an industry trade group, said in written remarks submitted to a congressional panel in June.

Still, Tantillo argued against reinstating tariffs, while cautioning that the renegotiation must not disrupt "the high level of supply chain integration that exists today."

Unions from the Steelworkers to the AFL-CIO have assailed NAFTA as a job killer while also accusing the Trump administration of failing to define effective goals to boost workers' interests.

Canada and Mexico are the largest and third-largest source of imports used by U.S. companies in producing exports. In 2011, the most recent year for which government data is available, imports from those two countries yielded more than $1.6 billion worth of U.S. exports.

As Lauritzen walks through his plant on a recent afternoon, he lifts an electrical device that regulates the power supply for a new line of highly energy-efficient industrial lights. It was imported from China.

"If you wanted to source this domestically, your options would be minimal to zero," he says.

Big Ass Fans began life in 1999 with a more staid name, the HVLS Fan Co. It specialized in enormous industrial-grade fans hung in vast spaces like factories and airplane hangars as a way to reduce use of heating and air-conditioning. The largest fans reach 24 feet in diameter and sell for upward of $8,000.

As customers began using blunt language to describe the products, the company took their declarations as its name. Its complex on the outskirts of Lexington features no end of brand-related mischief. Signs reserve a favoured parking spot for the "Wise Ass of the Month." The company mascot is a donkey named Fanny.

Beneath the joviality is a serious engineering operation. In 2008, when the global financial system was ensnared in disaster and the company's revenue was about $30 million a year, it invested nearly one-third of that sum in a new research and development facility.

Company innovators used the facility to develop a popular feature that simulates the variable wind speeds of an ocean breeze, which provides relief from the constant blowing of a typical fan. The company started a new residential line under the Haiku brand, using a moulded hunk of stainless steel, bamboo and other luxurious materials.

By 2012, revenue had tripled to $90 million, according to the company. Last year, it reached $240 million.

Big Ass Fans pays well above the state average, investing in the notion that happier workers are more productive. One-third of its assembly line workers earn more than $40,000 a year, plus health insurance, according to the company.

But company overseers are feeling pressure.

Jamie Hillegonds, director of global operations, is looking for savings in the supply chain. The Trump administration presents itself as a champion of business, eager to strip away job-killing regulations. Yet she finds herself having to anticipate how the president might complicate her plans.

Her company buys motors from a Midwestern supplier known for quality and good prices. But the supplier recently shifted its production to Mexico. If the NAFTA renegotiation makes that product more expensive, she will have to adjust.

"It's very difficult to develop a global sourcing strategy based on Trump's day-to-day whims about what he wants to do," Hillegonds said.

Source: therecord.com- Aug 17, 2017

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Pakistan exploring new markets to enhance trade

Pakistan is exploring new potential markets in different regions to increase its exports, an official said on Thursday.

Talking to APP, minister for commerce and textile Pervaiz Malik said that in today's world, trade and economic relations are a key component of diplomacy for maintaining ties with regional and global markets. Pakistan offers opportunities for peace and development, not only within the country, but also in the region, he added.

The government accords top priority to enhance country's exports and achieve its trade targets set for the current financial year. Malik said that he would evolve a short-, medium- and long-term strategies to enhance the multilateral trade with different potential markets of the world.

In the European Union (EU), Pakistan has a huge opportunity for exporting different goods and after signing the Generalized Scheme of Preferences (GSP-Plus), the country has increased its exports in EU member countries.

The minister said, "According to the vision of Nawaz Sharif, we are committed to enhance trade volume with EU and other regions of the world."

Exports of home textile products to EU from Pakistan had increased 60 percent in 2016 as compared to 2013, he said, adding that Pakistan's carpet and rug exports in the EU had increased from 30.30 million euros in 2013 to 37.92 million euros in 2016, he added.

Malik said that Pakistan's exports of cotton and other raw materials for value-added textiles had grown rather modestly in the EU by around nine percent in 2016 as compared to 2013. This indicated a healthy trend of increased consumption of raw materials by the downstream industry, he added.

"We are committed to finalise the free trade agreement with Turkey and Thailand for promoting trade ties with these countries," he said. "Pakistan has one of the most attractive investment regimes in the world and priority to facilitate the foreign investors."

Source: thenews.com.pk- Aug 17, 2017

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NAFTA will not remove Mexico's growth barriers: Moody's

Renegotiating the North American Free Trade Agreement (NAFTA) will not offer a solution to Mexico's biggest barriers to growth. Though NAFTA has enhanced Mexico's export competitiveness and increased its integration with the US economy, stellar growth rates expected from economic liberalization have evaded the nation, according to Moody's Investors Service.

In a new report titled 'Successful NAFTA talks alone will not fix structural impediments to Mexico's growth', Moody's says the current export-focused growth model reliant on access to the US market through NAFTA has failed to offer a cure for Mexico's low productivity, low wages and low growth over the last three decades, even outside periods of economic crisis or recession.

Mexico's comparative advantage has been maintained through negative real wage growth, at the expense of income levels. As a result, instead of converging through trade, wage and productivity gaps with the United

States have widened. That gap will expand if the country shows stagnation in productivity, the report says.

If Mexico's structural reforms agenda continues further, it may offer a counterweight to the trade risk the country faces. Uneven regional growth opportunities and a highly informal economy are responsible for its low productivity and wage growth.

Source: fibre2fashion.com- Aug 17, 2017

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Pakistan-Thailand FTA talks from August 21

Pakistan and Thailand will hold eighth round of talks to finalise free trade agreement (FTA) from August 21 to 23.

Both the sides had exchanged the offer lists of items for free trade, including automobile and textile sectors for removing the reservations, a senior official of the ministry of commerce told APP on Wednesday.

During the eighth round, he said, talks would be held on the text of agreement, tariff reduction modalities, request lists from both the sides and offer lists.

The FTA would be signed on September 25 to enhance bilateral trade between the two countries, he added. Thailand had comparative advantage in around 1,000 commodities, mainly electrical and electronic appliances, machinery and components and automobiles and parts.

Similarly, Pakistan has relative advantages in some 684 commodities, including cotton yarn and woven textiles, readymade garments, leather products, surgical instruments and sports goods, the official said.

Talking about the FTA with China, he said negotiations on Phase-II of the FTA with China would be held from September 13 to 14 in China headed by commerce secretary Younas Dhaga.

Source: thenews.com.pk- Aug 17, 2017

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China's textile, garment wholesale markets maintain stable growth

According to the data recently released by Raw Material Association of CNTAC about the operation of textile and garment wholesale markets in the first half of this year, January - June, the gross turnover of 46 main wholesale markets monitored by the association was CNY 478.81 billion.

Among them, the gross turnover of 41 comparable sample markets reached CNY 451.38 billion, seeing year-on-year rises of 5.16 per cent. There into, 25 markets' turnovers saw year-on-year growth, with an average increase of 8.44 per cent, 13 markets' turnover fell year-on-year, with an average decline of 14.07 per cent 3 markets' turnover kept unchanged with the same period last year.

According to the data, in recent years, the sales model of markets close to production areas has transformed from large-quantity wholesale into small-lot and multi-batch wholesale, the time-to-market speed has accelerated, thereby raising the industry chain's efficiency; in the first half of 2017, the turnover of the monitored markets achieved CNY 379.31 billion, edged up 7.76 per centage year-on-year, keeping a growth rate above 7 percentage points in three straight years. These markets have maintained a higher growth momentum.

By the number of new markets, 34 new markets were added in the first half of 2013, 31 in the first half of 2014, 20 in the first half of 2015, 22 in the first half of 2016 and 16 in the first half of 2017. From the last five years' data, the number of new market reduced significantly.

The investment overheat in the past few years is cooling down and the number of newly-commenced and newly-opened markets is back to a rational range.

Source: fashionatingworld.com- Aug 17, 2017

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US firm invests in Ethiopia

Trybus will set up a manufacturing center in Ethiopia. It will make a substantial financial investment to equip the manufacturing facility with state of the art garment technology. Trybus will also bring its technical and tailoring expertise by providing staffing and staff training in the facility.

Trybus is an American men's wear clothing company. It will create employment for more than 1000 Ethiopians during the first phase of operation. The company aims to hire more than 3000 workers when operations are in full swing.

The Ethiopian textile sector is attracting top international firms amid the nation's bid to industrialize. The sector is expected to facilitate technology transfer and capacity development through training and experience sharing.

Ethiopia has launched a strategy to make the most of its potential in the textile sector. The industry has advantages like power abundance and a growing human and material capital. It is witnessing rapid growth as a number of domestic and multinational firms are engaged in production of textiles, garments and apparel for domestic and global markets.

The country has Africa's largest industrial park. This flagship industrial park is capable of hosting gigantic multinational firms. It has a state-of-the-art waste treatment plant, the first of its kind in Africa.

Source: fashionatingworld.com- Aug 17, 2017

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NATIONAL NEWS

India is North Korea's second biggest trade partner after China

Like celebrity news, North Korea easily finds space in the papers and portals across the world. This time, those column inches on the country and its supreme leader Kim Jong-un, speak about the deliberations over the country's decision to 'delay' the planned missile attack on Guam - an unincorporated territory held by the US.

Simmering tensions between the US and North Korea have led to many questions around how a clash between the two would result in.

The US isn't alien to the rules of engagement in a war, but for North Korea, sustaining the fourth largest army in the world won't be easy. Especially considering the minimal business ties it keeps amid complete international isolation.

Who is North Korea's friend in need?

The premise of a Free Trade Agreement between countries is good political relations. Simply put, if you're good to me and I'm good to you we can be friends and then we can do business together.

Despite their disagreements in the recent past over nuclear tests, China is North Korea's go-to friend when it comes to business.

According to data analytics firm Statista, North Korea imported 85 percent of its goods worth USD 3.47 billion from China in 2015. In the same year, North Korea exported about 83 percent of goods worth USD 2.83 billion to the manufacturing superpower.

The more surprising fact is that India comes right after China as North Korea's second biggest trade partner among all other countries who maintain trade relations with the communist state.

The data obtained by The Observatory of Economic Complexity, a leading data visualisation site for international trade data pegs India ($97.8 m), Pakistan ($43.1 m) and Burkina Faso ($32.8 m) as the top export destinations of North Korea.

Likewise, most imports for the country apart from China come again from India ($108 m) followed by Russia ($78.2 m), Thailand ($73.8 m) and the Philippines ($53.2 m).

If one ignores the numbers, then it is interesting to ascertain what North Korea trades with its major export partners.

Among major products of use, refined petroleum ($186 m), synthetic filament yarn woven fabric ($138 m) and delivery trucks ($108 m) are the top products, North Korea gets from abroad. The country's primary exports include coal briquettes ($952 m) and textiles (non-knit coats & suits).

A report from Confederation of Indian Industries says India's exports to North Korea in 2013 totalled more than US$60 million and these primarily included food and medicine.

On the global front, India has been a critic of North Korea's nuclear tests and has also criticised its ties with Pakistan and its support for the Kashmir conflict.

In May 2017, after new UN sanctions were imposed on North Korea over its increasing number of missile tests, India banned all trade with North Korea excluding only food and medicine items.

Following suite, China - a critic North Korea's nuclear ambitions in the past, banned imports of iron ore, iron, lead and coal from North Korea this month.

Source: moneycontrol.com- Aug 17, 2017

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Centre examining alternative scheme to wean off textile export sops

With the World Trade Organisation (WTO) coming up with a deadline for abolishing export sops beyond next year for the Indian textile and clothing exporters. The Indian Commerce and Textile Ministries has started examining alternative schemes that are allowed by the WTO such as ones for quality upgradation and subsidising capital expenditure to wean off exporters from direct subsidy schemes and replace them with indirect benefits.

However, the changes would happen gradually and there will be no immediate withdrawal of popular schemes like interest subvention or Merchandise Export from India Scheme," a government official said.

Delays in implementing WTO deadlines do not usually have an immediate negative repercussion on the erring country as disputes filed by other members take a couple of years to get resolved. If found guilty of bending rules, the erring country gets some more time for making the requisite changes in its rules.

The US has been continuously asking India to re-haul its textile export policy. According to US calculations, the country should have done away with all forms of export subsidies for the sector by 2015.

According to the US argument, the WTO secretariat released calculations showing that India had reached "export competitiveness" in textiles and clothing no later than 2007. Since WTO rules gave members eight years from that date to phase out export subsidies, the transition period ended in 2015.

New Delhi's argument is that since the WTO undertook a computation of India's world trade share following a member's request only in 2011, and determined that it had retained competitiveness on the basis of data of 2009-10, it can be inferred that the phase-out period would end in 2018. India's annual exports of textiles and garments are pegged at over $35 bn accounting for about 5 per cent of world trade share.

Although by our own admission the period for doing away with export sops in textiles is 2018, India don't want exporters to panic as they are already reeling under the burden of GST. The official said that they can start the process of phasing out the schemes at their own pace next year, adding that a message is being given to textile exporters that the export incentives they have got used to will ultimately have to go.

Although direct export sops will be phased out, the government has no intention of reducing the total support extended to the textiles industry. Schemes of equal value or more will replace the ones that are phased out.Two popular export sops enjoyed by textiles and garments producers are the interest subvention scheme, where the government bears part of the interest burden on loans, and the MEIS scheme where en-cashable scrips are given based on the value of the exports.

Source: apparelviews.com- Aug 17, 2017

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Indian trade show to be held in Ghana

A trade show aimed at promoting India's economic cooperation with West African countries and helping Indian industries to connect with the private sector and government businesses is to be held in Accra.

The event, dubbed: Namaskar Africa, an initiative of the Federation of Indian Chambers of Commerce & Industry (FICCI) and the Government of India, will take place at the Ghana International Trade Fair Centre (GTFC) on August 16 to 17, 2017.

The fair, which will host an exhibition on various industries, including technology, will also feature a business-to-business (B2B) conference to enable Indian businesses to network with government institutions in the participating countries.

Officials of the FICCI will also use the fair to position Brand India as a leading economic player in West Africa, facilitate Indian investments into the region and create awareness of the best technologies and products that India has to offer.

The over 70 companies that will participate in the event will thus interact in the areas of agriculture and food processing, automobile, health care and pharmaceuticals, education, energy, infrastructure and construction, clothing and textiles.

Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Gabon, Liberia, Nigeria, Senegal, Sierra Leone and Togo are expected to participate in the fair.

Indian High Commissioner

The Indian High Commissioner in Accra, Mr Birender Singh, made this known in an interview in Accra.

He said the decision to host the trade show in Accra showed the importance his country attached to its bilateral relations with Ghana and the rest of West Africa.

The Namaskar Trade Show, he said, would also consolidate 60 years of the establishment of friendly diplomatic relations between Ghana and India.

Presently, trade balance between Ghana and India was in favour of Ghana, as Ghana took advantage of certain key investment policies to expand its exports to India, he said.

"We expect the fair to strengthen people-to-people relationships, bonds between the two countries and business relationships that are capable of generating employment for Ghanaians," Mr Singh added.

Priority engagement

The High Commissioner noted that trade between India and West Africa had become a platform for job creation.

India, he said, was the first country to offer a duty free tariff preference scheme to African goods and exportable commodities in 2008.

Under the scheme, he said, more than 98 per cent of tariff lines were opened to exports from Africa at low tariff, which provided a huge access to India's domestic market.

"We have been encouraging the 34 least developed countries in Africa to make better use of the duty free scheme to consolidate developmental gains in their countries," the High Commissioner stressed.

On Ghana, he said whereas Indian exports to Ghana were to the tune of $682 million as of 2016, Ghana's exports to India were to the tune of $1.93 billion.

Mr Singh said India was the second largest foreign investor in Ghana in terms of the number of projects, covering educational institutions, telecommunications, pharmaceuticals, agro processing, among others.

Asked about the possibility of Ghanaian businesses operating in India, considering the growing number of Indian businesses in Ghana, Mr Singh said his country would be happy to receive investments from Ghanaians, since India had a liberal investment policy that allowed profit repatriation.

Source: graphic.com.gh- Aug 15, 2017

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Alibaba to help SMEs expand their business to global markets

Alibaba.com, a leading global wholesale trading platform, has expressed its willingness to extend helping hand to small and medium-sized enterprises (SMEs) in the city for expanding their business globally at a faster pace.

Addressing a workshop for re-sellers of textile products in the city recently, Alibaba.com Head, Global Supplier Department, Jack Zhang ascertaining the crucial role that SMEs play in an economy, said small businesses were key source of trade and innovation globally.

Alibaba.com was committed to supporting them to fully unleash their potential by leveraging the power of technology and online commerce, he said.

"Through our network of partners and local workshops, we hope to help SMEs expand their businesses globally at a faster pace," Zhang said.

The session was aimed at empowering them to further expand their business and increase their presence in the global markets and nearly 200 re-sellers from the textile market attended the workshoop, a company release said today.

The workshop, titled 'Infinity Grow your Business', focused on educating the exporters and traders on various government policies related to exports and innovation in the SME sector through sessions with industry captains.

Quoting local chapter of Indian Chamber of Commerce and Industry, Vanitha Mohan, the release said there was a huge potential in the small business industry in India and their contribution to Indian economy was critical.

Rising internet penetration and greater uptake for digital were transforming the ways SMBs operate in India today and it's heartening to see companies like Alibaba.com supporting them to expand their business globally, she said.

Source: dnaindia.com- Aug 16, 2017

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Korean team visits textile park site in Telangana

A delegation from Korea Federation of Textile Industries (KOFOTI) led by its chairman and Youngone Corporation chief Kihak Sung visited the site identified for setting up Kakatiya Mega Textile Park in Geesugonda and Sangem mandals in the district today.

At a meeting held in Hyderabad yesterday with the KOFOTI team , Telangana Minister for Industries K T Rama Rao has invited textile giants in South Korean to invest in the upcoming kakatiya Textiles park in Warangal. After inspecting the site, the Korean team asked the officials to take steps for construction of a road over bridge (RoB) on the railway track which passed through the site besides construction of a two-lane road between two blocks at the park.

The Minister assured the delegation to provide best amenities and ecosystem for manufacturers to operate in the Park.

Mega Textile Park Director Mihir Parekh, TSIIC Warangal Zonal Manager Ratan Rathod, Industries General Manager Hariprasad, and other officials were also present during the Korean team visit.

Source: webindia123.com- Aug 17, 2017

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India’s garment exports down 15 per cent

Exports of readymade garments (including those made of cotton, manmade and other fibers) from India in July fell 15 per cent compared to exports in the same month last year.

During the month, exports of manmade fibers, including yarn, fabrics, and made-ups, fell four per cent compared to exports in July 2016. However, exports of cotton textiles increased one per cent.

Imports of all textiles, including cotton and manmade yarn, fabrics and made-ups, rose eight per cent in July 2017 compared to imports in July 2016. Imports of textiles have not increased much after GST.

India has a great chance to capture the market for manmade fibers that's been vacated by China.

Synthetic textiles made from manmade fibers account for 70 per cent of the world textile supply and the rest is cotton. Given the scale of exports from China, even a one per cent shift means a ten per cent increase in India's exports of manmade fibers and synthetic textiles.

Cotton still commands more than 50 per cent of India's textile production. However the synthetic textile segment is gradually growing. The world is shifting toward manmade fibers.

However, there is a need to go in for innovation in fabrics, integrate the value chain and invest in skill development to boost textile exports from the country.

Source: fashionatingworld.com- Aug 17, 2017

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India-made garments have the largest pie in US imports in H1

For the first time in the history of India's garment exports to the US, the country has clocked top position in market share in the category 'men/boys knitwear shirts cotton' (a variety of knitwear) for the first six months of 2017.

This was attributed to the slowdown in China. Exporters, however, said they will not be able to retain top position. Exporters say that since the US market offers a level playing field, they were able to compete with other countries, but the recent appreciation of the rupee against the dollar will be a major hurdle to them.

The data released by the Office of Textile and Apparel, US department of commerce, show that India exported 8.5 million dozens of men/boys shirts cotton to the US. India's share in men/boys knitwear shirts import by the US stood at 8.7 per cent in June.

After a dip in 2014, India's market share has been growing steadily. In 2013, India's market share was 6.4 per cent and dropped to 6.2 per cent in

2014. From then it has been steadily increasing, and in 2016 it stood at 7.8 per cent.

Contrary to that, China's market share, which was 11 per cent in 2012, dropped to 9.6 per cent in 2016 and is now 8.5 per cent. In other segments including women/girls knit shi-rts/blouses, cotton, men/boys cotton trousers, breeches, shorts, and cotton nightwear/pajamas, India and others' market shares have increased.

While China's loss is India's gain, exporters are not happy because Vietnam is running India close. Bangladesh is also increasing its market share. The data show Vietnam exported 8.47 million dozens of men/boys knitwear to the US. Tirupur Exporters Association President Raja M Shanmugam said heavy investment increased India's share in export.

"The US is the only country that gives us a level playing field, and that is why we could compete," said Shanmugam, adding that the country was losing the edge now because production cost was increasing here.
An exporter said: "We will not be able to compete with Vietnam or with any countries because products made here are becoming costlier."

For example, exporters are quoting 3-5 per cent higher prices after the rupee appreciated, while the hike should be of around 7 per cent to compensate them for the losses on account of currency fluctuation. On the other hand, competitors' currencies have depreciated and they are bringing down the prices.

Source: business-standard.com- Aug 17, 2017

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Fashion is not only for the rich: Ritu Kumar

Ritu Kumar has been dressing up Indian brides in some of the most beautiful silhouettes since past five decades and the designer says be it bridal or urban wear, her sole aim has always been to make clothes which can be worn and bought by everyone.

Kumar, who started her label way back in 1969, insists her idea of fashion is just not confined to a particular class.

"I always felt the collection should be represented by how many people wear it. It should go across many more places, even small cities.

"The price range should be such that anyone can buy it and just not live with a dream to wear it someday. The idea of fashion for me is to make everyone look beautiful. I don't think fashion is only for the rich," Kumar told PTI on the sidelines of Lakme Fashion Week Winter/Festive 2017.

The designer launched a different range of affordable contemporary clothing under her 'Label' in 2002 along with son Amrish, and hopes other big labels will also move in the same direction soon.

"There are still very few designers, who have separate affordable range. I really want fashion houses and labels to come up with clothes for everyone. The thought of feeling beautiful should not be governed by the (price) tag."

Kumar says India is one of the fastest growing fashion industries and serving the masses could contribute to that growth. "India is a growing industry. What I see here is an organic growth. People are now not only aware about the international labels and enjoy wearing Indian brands as well. It is a very encouraging trend for designers and they should utilise it completely."

The fashion veteran, however, is happy that the young brigade of designers is focusing on getting buyers from various strata.

"The fact that young designers are coming and new labels are being launched is a positive step. Younger lot is more than willing to design from a normal day-to day wear to bridal range. They are even experimenting with handlooms and Indian textiles. It makes me really happy.

"I am also happy that they are making India an international brand. It is a great trend. It is good that we are not following any particular trend of West."

The Label Ritu Kumar last evening showcased its new collection, "Sweet Surrender", at the fashion week.

Kumar says her brand is targeting the young consumers, who want to experiment and make a bold statement.

"Young people today are changing. Their lifestyles are changing and it is becoming quite international. Comfort has become a big thing, but at the same time they also want an edgy look, which they can wear throughout the day."

The collection was designed keeping modern sensibilities in mind, but the fabrics and the intricate detailing still had its roots in Indian karigari.

Kumar says, "We as designers should focus on the Indian textiles and works. The collection was western but there was a reflection of Rajasthan.

Source: business-standard.com- Aug 17, 2017

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Strengthening currency against India’s advantage

India has clocked top position in exports of men’s and boys’ knitwear shirts to the US.

India’s share in knitwear shirts imports by the US stood at 8.7 per cent in June. After a dip in 2014, India’s market share has been growing steadily. In 2013, India’s market share was 6.4 per cent and dropped to 6.2 per cent in 2014. From then it has been steadily increasing, and in 2016 it stood at 7.8 per cent.

Heavy investments increased India’s share in exports.

Compared to that, China’s market share, which was 11 per cent in 2012, dropped to 9.6 per cent in 2016 and is now 8.5 per cent. While China’s loss is India’s gain, Vietnam is running India close. Bangladesh is also increasing its market share.

What can really go against India is the recent appreciation of the rupee against the dollar. The country is losing its edge because of rising production costs. This makes competing with Vietnam or other countries difficult.

Exporters are quoting prices three to five per cent higher after the rupee appreciated, while the hike should be of around seven per cent to compensate them for the losses on account of currency fluctuations. On the other hand, competitors' currencies have depreciated and they are bringing down their prices.

Source: fashionatingworld.com- Aug 17, 2017

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How to reverse export momentum loss: All you need to know

India's exports may now have risen eleven months in a row but the recent loss in momentum is worrying. Exports have decelerated two months in a row, to 4.4% y-o-y in June and 3.9% in July from 8.3% in May. And, when seasonally adjusted month-on-month, they have fallen for the fifth straight month.

Economists at Nomura point out export volumes in July (ex-oil) contracted year-on-year. While the appreciating rupee is certainly a factor that needs to be addressed, economists at HSBC argue exchange rates explain less than 20% of weakness in exports while domestic bottlenecks explain half the slowdown and the balance third is explained by global growth. Also, the currency matters more for services than for goods—the rupee has gained 1.4% against the dollar in the last two years whereas the Bangladeshi taka has lost 3.7%, and the Chinese renminbi has depreciated by 4.2%.

To be sure, the rollout of the GST could have disrupted the manufacturing sector both in June and July, given the de-stocking and supply-chain disruptions that took place. However, once the transition to the new system is complete, the benefit of input-tax credit should help manufacturers. In the meanwhile, the other factors responsible for the slowdown in exports need to be looked at.

One big pain point that analysts draw attention to is pharmaceuticals, a key driver of exports—the sector de-grew 5.4% in July y-o-y after contracting 2.3% in June. Indian drug firms are grappling with serious regulatory issues in the US, relating to quality control, and need to sort these out quickly. The more serious issue, especially in labour-intensive export categories, relates to high wage costs and rigid labour laws, both of which have made India uncompetitive vis-a-vis peer economies.

In this context, given that 60% of Indian exporters are small-scale producers, which tend to be labour-intensive, bringing in new legislation such as a minimum wage will make things worse. Poor infrastructure—the high cost of electricity, for instance—has also handicapped exporters.

Again, as economists at HSBC observe, the relative low ranking of India in the 'ease of doing business' surveys signals Indian businesses are at a relative disadvantage. Much higher interest costs are another factor, especially for smaller firms that borrow in the informal market.

Although world trade volumes are forecast to grow at 4% in 2017 versus 2.3% in 2016, India's competitors, and not just China, are doing much better. Indeed, the space opened up with higher wages in China, forcing it to vacate part of labour-intensive exports like garments and leather & footwear, is being taken up by other countries—between 2010-16, for instance, Bangladesh's total exports grew by 82%, Vietnam's 145% versus a mere 17% for India.

Over the past three years, India has ceded share not just in manufactured goods such as textile yarns, but also in primary exports such as food and raw materials. After rising in the early 2000s, India's share in world exports has stagnated at rather low levels over the last few years. As such, a $300 billion target for exports now looks difficult—and this would be lower than the $318.6 billion achieved in 2013-14 and the $316.5 billion in 2014-15.

Source: financialexpress.com- Aug 17, 2017

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Doubling of minimum wages to hit exports, jobs: AEPC

Minimum wages in the garment industry if doubled to Rs 18,000 per month will jack up costs, hit exports and lead to job losses, a top exporters' body claimed today. AEPC called on the government to clear the air on the issue. In a letter to the textile ministry, Apparel Export Promotion Council (AEPC) Chairman Ashok G Rajani said there is a lot of confusion surrounding minimum wages after clearance of the Wage Code Bill by the Cabinet.

"This has impacted the booking of export orders, and to restore confidence of foreign buyers, it is important that a suitable clarification is issued by the government," Rajani said in the letter. Rajani added that the cost of wages in the garment export sector is around 30 per cent of Freight on Board, which is the highest by any standard.

"The apparel industry is already passing through a challenging phase due to slowdown of the world economy. In the present stressful and challenging times, any additional burden on account of doubling the minimum wages from the present about Rs 9,000 per month to Rs 18,000 will make garment manufacturing unviable and unsustainable in future," he explained.

Rajani stressed that around 70 per cent of the workforce in the ready-made garment industry are women while other industries have female workforce participation of 3-7 per cent. "Hence, fixing of minimum wages at Rs 18,000 per month will not only adversely affect the exports, but lead to a fall in employment generation in the sector," he pointed out.

The Union Cabinet last month approved the new Wage Code Bill which will ensure a minimum wage across all sectors by integrating four labour related laws. The new minimum wage norms will be applicable for all workers irrespective of their pay. At present, the minimum wages fixed by the Centre and states are applicable to workers getting up to Rs 18,000 monthly.

Source: financialexpress.com- Aug 17, 2017

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