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TEXPROCIL NEWS CLIPPINGS

The Cotton Textiles Export Promotion Council [TEXPROCIL]
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USD 64.46 | EUR 73.56 | GBP 83.53 | JPY 0.57

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20198	42250	**83.20**
Domestic Futures Price (Ex. Gin), July		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20010	41856	**82.43**

International Futures Price	
NY ICE USD Cents/lb (Dec 2017)	68.97
ZCE Cotton: Yuan/MT (Sept 2017)	15,625
ZCE Cotton: USD Cents/lb	**83.06**
Cotlook A Index – Physical	**83**

Cotton & currency guide:

Cotton price for both December and March traded down at ICE platform came out of the consolidation range witnessed for the past three weeks. The December contract settled lower at 66.37 cents/lb.

The disappointing Weekly Export sales report released last evening in the US along with recently released monthly demand-supply report by USDA may have had pressure on cotton price.

The USDA monthly report analysis in detail was discussed in our previous report while the weekly export sales stood much lower than the previous week's figure. For reference, the weekly export sale stood at 165.60K Bales vs. 491.40K Bales.

Market is now clear signals of being bearish. This morning the December contract at early Asian session is seen quoting at 66.67 cents and believe as the day progress the trend may ease lower. From the technical perspective we believe now we have to watch out for 66 cent as an immediate support levels.

However, breach of the same may see price pulling down to 65.40 cents. Likewise, on the higher side we now see 67.50 as key resistance levels. For the day we expect cotton to trade in the range of 66 to 67.20 and recommend selling from higher levels.

The Chinese ZCE cotton is also seen trading lowers at 15150 Yuan/MT and believes the trend may remain weak. The trading range for the near term would be 14800 to 15300 Yuan/MT.

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

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INTERNATIONAL NEWS

US cotton shipments to Vietnam up 70% in 2016-17: USDA

US cotton shipments to Vietnam through 11 months of the 2016-17 marketing year have grown by 70 per cent as import demand continues to expand. Continuing expansion of Vietnam's mill use has supported extremely robust sales this year, according to the US department of agriculture (USDA). Vietnam is likely to remain the largest market for US cotton.

US share in total Vietnamese cotton imports is projected to reach 60 per cent this season, the Foreign Agricultural Service of the USDA said in its July 2017 report on 'Cotton: World Markets and Trade'.

During the 11-month period, US cotton shipments have nearly tripled to China, India, Indonesia, and Pakistan. This has resulted in US cotton capturing a greater market share alongside substantial expansion of total imports in these countries.

With exports to China up by nearly 200 per cent, it is now set to be the second largest US market, after having fallen to fifth place in 2015-16, its lowest ranking in 15 years.

In fact, US export shipments through 11 months of the 2016-17 marketing year are running more than 70 per cent ahead of year-ago levels. This broad based expansion has kept US cotton exports on track to reach the USDA forecast of 14.5 million bales, the second highest level on record, the report said.

The increase in US cotton exports is widely distributed across markets, with exports up in 20 of the 25 largest US markets. Among the top 10 markets, only Mexico and Turkey have not exhibited robust growth.

Mexico's mill use has been declining and the US has a pre-existing near-100% share of the import market, therefore export growth to Mexico is limited.

Export growth in Turkey has been constrained by a much larger domestic crop which has reduced overall import demand by over 25 per cent.

The increase in US exports represents a large increase in the US market share of Turkey's imports. Globally, strong US exports reflect improved market share in many markets, as the global consumption recovery has only modestly raised world import demand.

For 2016-17, USDA has kept the US cotton balance sheet unchanged from its previous estimate, while it has forecast the US season-average farm price to reduce half a cent to 68 cents-pound.

For 2017-18, the forecast shows higher global production, primarily in India. Higher beginning stocks are also forecast, but these are partially offset by higher consumption; global ending stocks are forecast higher. The US balance sheet has area and production down, resulting in lower ending stocks. The US season-average farm price forecast is 3 cents lower at 61 cents-pound.

Source: fibre2fashion.com- July 13, 2017

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Bangladesh trains 60000 farmers in cotton cultivation

The Government of Bangladesh has trained over 60,000 farmers in modern cotton cultivation, said Begum Matia Chowdhury, agriculture minister of the country while replying to a query in Jatiya Sangsad. She also said that the government has set up 3,050 demonstrations plot for a project which has been initiated to increase cotton production.

Chowdhury also added that the government has initiated multiple programmes and projects such as Expansion of Cotton Cultivation Project (Phase-1) which was undertaken in financial year 2014-15 at an investment of Taka 105 crore.

Cotton is the essential raw material used in the textile industry of Bangladesh and needs to be imported from other countries to fulfil its demands, said a Bangladeshi news agency quoting Chowdhury.

There are around 5,000 garment factories in Bangladesh and over 450 spinning mills. The country aims to export readymade garments worth $50 billion by 2021.

Source: fibre2fashion.com- July 13, 2017

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ITMF's Annual Meeting 2017 from 14-16 September in Bali

International Textiles Manufacturers' Federation (ITMF) is holding its Annual Conference 2017 in Bali, Indonesia from September 14-16. The ITMF Annual Conference provides an ideal international platform for leaders in the textile industry to discuss with industry experts the (r)evolution taking place, to exchange information on matters affecting the entire textile value chain and for textile manufacturers to interact with their peers from around the world.

A meeting of the directors of ITMF member associations, associate and corporate members, is slated to be held on September 13. A workshop on 'Managing Innovation Risks' by Dr. William Humphries of Humphries Scientific, Australia and Peter Kreitals of Kreitals Progressive Business Advise, Australia will be held on September 14.

IT will be followed by meetings of the Spinners Committee and the Joint Cotton Committee. In the afternoon the traditional Fibers Session on cotton and man-made fibers will take place. The afternoon ends with a meeting of the Fibres & Applications (F&A) Committee.

September 15 will witness a keynote address by Sri Mulyani Indrawati, Minister of Finance of Indonesia, and General Sessions on 1) the textile industry in Indonesia and 2) the textile value chain. Afterwards a meeting of the Home Textiles Producers (HTP) Committee will be held.

The last day of the conference will begin with a General Session on retail and e-commerce and will be followed by a keynote speech by Prof Jaap de Hoop Scheffer, former NATO Secretary General and former Minister of Foreign Affairs, the Netherlands. A General Session on technical textiles and nonwovens will also be carried out.

In addition to presentations, panel discussions and Q&A-sessions will make the various sessions/meetings interactive.

ITMF is an international forum for the world's textile industries, dedicated to keeping the world-wide membership constantly informed through surveys, studies and publications, participating in the evolution of the industry's value chain and through the organization of annual conferences as well as publishing considered opinions on future trends and international developments.

Source: fibre2fashion.com- July 13, 2017

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Malaysia, Indonesia discuss outstanding bilateral trade issues

The third Malaysia-Indonesia Joint Trade and Investment Committee (JTIC) Ministerial Meeting here discussed several key outstanding issues affecting bilateral trade between Malaysia and Indonesia, said International Trade and Industry Minister Datuk Seri Mustapa Mohamed.

He said the meeting, among others, reviewed the 1970 Border Trade Agreement: Trade restriction on Tebedu-Entikong border; recognition of Malaysia's halal logo by the Indonesian authority; cooperation in intellectual property issues; standards and recognition; and cooperation and collaboration on issues related to palm oil products.

"We discussed ways forwards to address specific concern from both sides, that is enhancing bilateral trade and investment ties and reinforcing the border trade," he said at the opening session of the JTIC Ministerial meeting here Thursday.

Mustapa said Indonesia is Malaysia's eight largest trading partner and the third largest among the ASEAN countries, adding that total trade between Malaysia and Indonesia in 2016 was RM57.09 billion.

He said for the first five months of this year, the total trade increased 38.4 per cent from RM22,92 billion in January to RM31.73 billion in May 2016.

Mustapa said from 1980 until 2016, a total of 66 manufacturing projects, with participation from Indonesia, were approved in Malaysia with total investment of US$1,93 billion (RM5.32 billion), creating 32,818 jobs.

In 2016, he said two projects worth US$1.03 billion (RM4.61 billion) from Indonesian investors were approved, creating 128 jobs, while the top five projects ranked according to the total value of investment were food manufacturing, beverages and tobacco, textiles and textile products, leather and leather product, and wood and wood products.

He said according to the international investment position fourth quarter report of 2016 by the Department of Statistics, Indonesia remained one of Malaysia's top three direct investment destinations at 9.6 per cent.

"Based on the same report, Malaysia's investment in Indonesia amounted to RM214.94 million in 2015 and RM209.5 million in 2016.

"Investments in Indonesia are mostly in key sectors such as the oil palm plantation sector, banking, oil and gas, telecommunications and construction," he said.

Mustapa said according to Indonesia's Investment Coordinating Board, in 2016, Malaysia became the eight largest investor behind Singapore, China, Japan, the US, Hong Kong, the Netherlands, and South Korea with total investment worth US$1.1 billion.

There are many business opportunities exist between the two countries, and with a total population of 255 million people, Indonesia provides a huge market potential to be tapped by Malaysian companies.

"Malaysia at the same time needs to ramp up its efforts in attracting more investments from Indonesia," said Mustapa.

Meanwhile, Indonesia's Minister of Trade Drs Enggartiasto Lukita said the meeting could further pave the way for better economic relations between the two countries, asserting that bilateral trade relations could not be taken for granted.

He said Malaysia is Indonesia second largest trading partner in ASEAN, but the current decreasing trend in their bilateral trade should be addressed for the economic growth of both nations.

Drs Enggartiasto said in 2016, total bilateral trade between the two countries was recorded at US$14 billion, a decrease of 11.43 per cent from 2015.

"Our data also showed that the total trade between two countries was also negative 12.99 per cent in the last five years from 2012 to 2016 . These figures should concern us," he added.

He said Malaysia has been five top investor in Indonesia with foreign direct investment amounting to US47.2 billion from 2012 to 2016.

On another matter, he said Indonesia would expedite the development of its land port facilities in Entikong to facilitate bilateral trade between Sarawak and Kalimantan.

Source: astroawani.com - July 13, 2017

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Levi's & other denim makers look ahead

Is it possible to be both a 164-year-old heritage brand and a fashion disrupter?

Jonathan Cheung, Levi's head of global design for men and women, thinks so.

Just ask him why the San Francisco denim giant born out of the California Gold Rush endures, and he'll relay a litany of reasons why the inventor of the first blue jean has for decades remained an international powerhouse that consistently breaks the mold.

From its foray with Google into wearable tech for its "smart denim" trucker jacket launching in the fall, to spring's "bare-butt jeans" collaboration with Paris fashion collective Vetements, Levi's continues to innovate with some of the world's most prominent creative leaders.

"It's adapt or perish," says Cheung, who can often be found tinkering at the Levi's Eureka Innovation Lab, a short walk from the company's Battery Street headquarters. "In this Bay Area context, you have to have that mindset of 'I'm going to disrupt myself' rather than sit and wait to inevitably be disrupted."

Despite the dominance of athleisure, sagging sales in the $12 billion U.S. denim market, and an industry reeling from the 24-hour online shopping effect, Levi Strauss & Co. has managed to grow its profits and stay true to its heritage while upping its all-important cool quotient.

"They've never left their roots, yet they've figured out how to get engaged in what is trending, what is important and what is needed to make their product stay relevant," says Marshal Cohen, chief industry analyst of the NPD Group, a market research firm. "They're still as important to the (Baby) Boomer who basically grew up on them. And they've become relevant to every generation from the Millennials to the Z and everyone in between."

Levi Strauss & Co. got its humble start when Bavarian-born Levi Strauss, the youngest son in a Jewish family, immigrated to New York in the late 1840s to help his two older brothers establish a dry goods business, according to Levi's historian Tracey Panek.

Looking for opportunity in Gold Rush country, Strauss headed to San Francisco in 1853, setting up shop on Battery and Pine streets to expand the family wholesale business. Strauss sold wares such as blankets, footwear and clothing to stores throughout the American West for the next 20 years, establishing himself as an eminent business leader and philanthropist throughout the city.

In the late 1850s, the discovery of Nevada's Comstock Silver Lode led Reno tailor Jacob Davis to come up with an innovative pant design for the droves of silver miners working the area.

Adding tiny copper rivets on the pockets, waistband, crotch and other stress points, Davis created a stronger "waist overall" that could take the daily beating of hard labor.

"He got so many rave reviews for his pants that he couldn't keep up with demand," says Panek, who oversees an incomparable archive of denim collectibles at the Levi's San Francisco headquarters, ranging from mud-caked cowboy 501s from the 1800s to the bedazzled super low-rise jeans Jennifer Lopez wore at the 2001 Super Bowl.

With Strauss already his fabric supplier, Davis proposed a partnership, and on May 20, 1873, Strauss and Davis received an official U.S. patent for work pants reinforced with copper rivets. The pivotal date has since come to be known as the birthday of the blue jean.

Initially called “XX” and renamed the 501 in 1890, the iconic American garment has evolved from work wear to counterculture statement to modern-day wardrobe staple, and is considered Levi’s — and San Francisco’s — single-most influential contribution to global fashion.

“If you go through a who’s who of who has worn Levi’s, they are the cultural movers and shakers,” says the 50-year-old Cheung, who has led the Levi’s design team for the past four years. “Figures from the birth of rock ’n’ roll to punk to grunge. Kurt Cobain, Marilyn Monroe, Steve Jobs — even Einstein! It gives Levi’s this deep cultural historical connection that no other brand can rival in apparel.”

Today’s 501 jean maintains most of the same classic design details used as the industry prototype, from the signature red tab, five pockets and five belt loops to the leather patch on the waistband and trademarked arcuate back-pocket stitching.

“501s will never go out of style, in the same way a Burberry trench, Manolo pump, Converse sneaker or Hanes T-shirt endure,” says Emily Holt, a former Vogue editor who founded womenswear boutique Hero Shop in San Francisco’s Tenderloin neighborhood in 2016.

Selling an average of 10 pairs of Levi’s per month, the store saw an increase of one pair sold every other day throughout April and May.

“It’s important to me that the store has a sense of place, and so carrying brands like Levi’s that are representative of the city is crucial,” Holt says. “It also helps that Levi’s have become more visible lately among the high-fashion crowd, so they’re particularly relevant for our customer.”

Staying relevant and ahead of the pack is especially vital in the faltering $200 billion U.S. fashion apparel business, where denim makes up about 6 percent of the market.

A publicly held brand that also has Dockers, best known for its khakis, and value-based denim brands Denizen and Signature in its portfolio, Levi Strauss & Co. earned $291 million in net income in 2016 and has maintained top- and bottom-line growth for four consecutive years, according to the company's annual report.

Cohen characterizes the brand's status as "in a healthy position because, frankly, we've been ignoring our denim wardrobes for a while. "Denim is not dead; it's just not as hot as it once was. For a while, people were buying five pairs a year and had 14 pairs in their wardrobes. So, between wearing those out and looking for new product, the life cycle of the denim business is starting to come back again."

Aiding that comeback is denim's entree into the technical and performance space. In recent years, Levi's introduced shape-recovery jeans with a higher stretch and higher recovery ability; Warp Stretch for men with a vertical stretch that mirrors movements such as crouching and running; rugged jeans with Dyneema, an ultra-durable fiber used for climbing gear and military applications; moisture-wicking Coolmax jeans; and heat-retaining jeans with Thermolite.

According to Sarah Ahmed, the New York creative director of DL1960 and founder of the new premium denim brand Warp + Weft, denim consumers are demanding more utility from their jeans.

"Remember in 2005 when everyone had rhinestones and crazy things on their back pockets?" says Ahmed, whose new denim-for-all brand offers an unconventionally wide range of sizes between 00 and 24, with every jean priced under $100. "First they wanted jeans to just look good. Then they wanted them to feel good with advancements in technology of stretch and retention. That's where the customer is now — they want everything."

At the intersection of performance textiles and wearable tech is Levi's Commuter Trucker Jacket with Jacquard by Google. The $350 denim jacket, unveiled for consumer testing at the 2017 South by Southwest Festival, features a left sleeve with wireless digital technology woven into an interactive washable fabric. Created for the urban cyclist, a tap or brush of the cuff allows the wearer to play music or map a destination.

"They cover the low end, the high end, and even the super conceptual stuff," says Kiya Babzani, co-owner of Self Edge in San Francisco's Mission District, who began his selvage denim business 11 years ago stocking Levi's-inspired Japanese reproductions of vintage American jeans. "There's no clothing company in the world that does so many levels of denim the way Levi's does."

But even as the brand has learned to coexist with athleisure, shoppers will be hard-pressed to find a slick Levi's yoga pant anytime soon.

"That's not our identity," notes Cheung. "Comfort and versatility are fantastic. But we'll look at that macro trend, then produce it in the Levi's way."
Always walking the line between pushing the fashion envelope and remaining true to its rich history, the beloved brand is constantly iterating its fits.

For spring, Levi's reintroduced the 1969 Orange Tab collection with a new line of vintage-inspired jeans, denim jackets and shirts. A limited-edition 501 capsule collection featuring hand-distressed denim, scribbled embroidery and vintage customizations dropped on May 20, which the brand celebrated as 501 Day with concerts and special events at Levi's stores around the globe.

And for the first time, the iconic button-fly 501 with its classic distressed finish was offered last year in a stretch fabric, and this year in a body-conscious skinny fit.

"Our heritage is our anchor," Cheung says. "But newness is the oxygen of our business."

Source: sfchronicle.com - July 13, 2017

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Rise in adoption of sustainable clothing in UK: Report

There is an increase in the number of people adopting sustainable clothing in United Kingdom, according to a recent report. A change has been observed in the clothing pattern of the people to lessen the environmental impact. The current estimate of clothing going into household bins has dropped from 350,000 tonnes (2012) to 300,000 tonnes (2015).

The report titled 'Valuing our Clothes: The Cost of UK Fashion' says that the amount of clothing discarded in residual waste has fallen by approximately 50,000 tonnes. The report was published by not-for-profit organisation Waste and Resources Action Programme (WRAP).

The report also examines improvements within the clothing sector since the launch of its Sustainable Clothing Action Plan (SCAP) in 2013, the voluntary agreement designed and brokered by WRAP in partnership with the government and industry. This has been achieved through a range of SCAP initiatives varying from sustainable fibre procurement, to advice and support for households on caring for clothes and working to increase reuse and recycling.

Wrap has worked closely with major clothing designers, brands, manufacturers, retailers, fashion houses and re-use & recycling organisations to drive forward more sustainable production and buying practices, and increase textiles re-use and recycling.

"I am delighted by how well SCAP signatories are doing. At this stage of the agreement they are not only well on the way to achieving the targets, but continue to outperform the sector as a whole - particularly in sustainable cotton. It's amazing that twenty per cent more cotton is now sustainably-sourced by signatories than when we began.

And having high-street names like M&S, Tesco and Sainsbury's setting ambitious sustainable cotton targets will help ease the pressure on some of the world's most water-sensitive countries," Steve Creed, director business programme WRAP said.

"It's great too that fewer clothes are ending up in the residual waste, but overall our carbon footprint is rising so the next few years are critical in balancing growing demand with supplying clothes more sustainably.

I'm confident SCAP will play a big part in helping to make this happen, and make sustainable fashion much more mainstream," added Creed.

Source: fibre2fashion.com - July 14, 2017

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Building own apparel brand to help Bangladesh earn more

Bangladesh Apparel Exchange (BAE) – a private initiative to promote Bangladesh apparel industry – is going to organise a workshop on how to develop an apparel brand.

The day-long workshop titled "How to build your own apparel brand and directly address European and US Consumers" will be held on July 29 at Gardenia in Dhaka.

The objective of the workshop is to disseminate knowledge on how to develop the next growth strategy of Bangladesh's apparel sector by putting up new designs to locally owned products and making them stand out as an international brand, which will facilitate a direct sale to Western consumers.

By participating in the workshop, an entrepreneur will be able to gain insight on how the global renowned brands are conceptualised and designed. It will also help create own brand as well as bring about an opportunity of e-commerce.

Bangladesh – the second largest exporter of clothing products – produces apparel items for global retailers such as Zara, H&M, Marks & Spencer, Gap and many more, founder and chief executive officer of BAE Mostafiz Uddin said.

But the manufacturers that make clothes for the world's famous brands are yet to establish any global brand originated from Bangladesh, added Mostafiz.

Considering all these aspects, BAE has taken the initiative to share experience and advice for building a brand from purpose to product for entrepreneurs, fashion aspirants and everyone with a dream to build their own brad, said Mostafiz.

According to the industry insiders and experts, by creating brands, Bangladesh can increase profit margin by utilising the strength and intelligence of local business, which would impact Bangladesh's economy largely.

The workshop will help one to kick off with next growth strategy by providing insight into designing own brand and selling it directly to western wholesalers and end consumers. In the just-concluded fiscal year, export earnings from the clothing industry have seen only a 0.20% rise to $28.15 billion, the lowest in the last one and a half decades.

The overall export earnings stood at $34.83 billion, which is 1.68% higher than $34.25 billion a year ago. At this situation, Bangladesh should focus on high-end products to come out of the sluggish export growth, Mostafiz said, who is also the managing director of Denim Expert Limited.

The business tycoon has successfully been exporting his denim products to Europe since 1999. "I think the workshop will help RMG people focus on building brand to get better prices," he commented.

Source: dhakatribune.com - July 14, 2017

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As America retreats, the world moves forward on trade

In the last six months, the United States has hurled itself off the chessboard that is international trade, leaving the Trans Pacific Partnership, threatening to leave or drastically rewrite NAFTA, and leaving a U.S.-EU trade pact to wither on the vine, all while hoping to fill the gap with bilateral trade deals. All the other pieces on the board, meanwhile, are taking advantage - and continuing to move.

While the White House has embraced an anti-free trade message at odds with nearly two centuries of economics, other nations have redoubled their efforts to make sure that the recent slowdown in global trade doesn't become a permanent fixture by working to craft ambitious, multi-nation deals that lower tariff barriers and tackle longstanding obstacles to greater international commerce.

"The Trump administration has shown no desire to engage in any of the kinds of modern 21st century trade agreement talks that the rest of the world is moving into," said Chad Bown, a trade expert at the Peterson Institute for International Economics.

Here's a sampling of Washington's once-courted partners who are now busily filling up their own dance cards, all while the United States shuffles along alone.

- **The European Union-Japan trade deal.** This potential agreement, announced ahead of the recent G-20 summit in Germany which underscored Donald Trump's isolation on everything from trade to climate change, would lower trade barriers on nearly all the goods the two sides trade.

The European Union, even in the throes of Brexit, is the world's largest economic bloc; Japan remains the world's third-largest economy. Both are anxious to find a replacement for the deals with the United States that each had spent years working on during the Obama administration.

"Although some are saying that the time of isolationism and disintegration is coming again, we are demonstrating that this is not the case," said Donald Tusk, the president of the European Council, at a news conference in Brussels. "The world really doesn't need to go a hundred years back in time. Quite the opposite."

Europe wants to pry open the Japanese market to European foodstuffs, while Tokyo wants to sell more Japanese cars in Europe. The EU is expected to phase out a 10 percent tariff on Japanese passenger cars over a seven-year period. Japan, in turn, is expected to lower tariffs on European food products like cheese, pasta, pork and wine.

To smooth the way, contentious points like logging and whaling are left by the wayside. European and Japanese negotiators expect the deal to be finalized within months.

- **Regional Comprehensive Economic Partnership**. This sprawling pact, China's counter to the 12-nation Trans Pacific Partnership, would create a free trade zone between 16 Asian nations. Just as TPP deliberately left out China, RCEP does not include the United States. And now that the

U.S. withdrawal from TPP leaves that once-giant pact smaller and uncertain, it has also made RCEP member nations more eager to see the pact through.

"If we can successfully conclude these negotiations quickly, it will be an important statement in favor of free trade and economic integration," Singapore's Foreign Minister Vivian Balakrishnan told reporters Monday in Beijing after meeting with his Chinese counterpart Wang Yi. Prior to Trump's election, Singaporean Prime Minister Lee Hsien Loong warned leaving TPP would badly hurt U.S. credibility in Asia.

RCEP is as massive as TPP could have been. The TPP, the centerpiece of the Obama administration's pivot to Asia, would have included economies amounting to 40 percent of world GDP and about 800 million people. By comparison, RCEP covers 39 percent of global GDP and 3.4 billion people. (It also includes India, another country left out of TPP.)

But RCEP is more modest than TPP - free trade with Chinese characteristics. The American-led trade deal would have created a free trade zone across the Pacific while also raising environmental and labor standards across the region. RCEP lowers tariffs - but does not address other issues.

Several signatories have expressed hope that the pact could be finalized by the end of the year, but previous deadlines have been missed. Douglas H. Paal, an Asia expert and vice president for studies at the Carnegie Endowment for International Peace, said India could end up being an obstacle to completing the deal.

"They don't want it to happen," Paal said on Indian Prime Minister Narendra Modi's government. Modi, a protectionist like Trump, is pushing his "Make in India" initiative to keep jobs and money in his country, and India's economy has been relatively closed for decades. "There's a strongly held belief that this will bring in unwanted competition."

- Comprehensive Economic and Trade Agreement. This EU-Canada pact will largely go into force in September; all that remains is last-minute wrangling over European accords to Canadian cheese and pharmaceutical markets.

The agreement will eliminate 99 percent of tariffs between the EU and Canada. It also allows EU firms to bid on Canadian public contracts, the first time foreign companies will be able to do so. Once in place, CETA is expected to increase bilateral trade in goods and services by 22.9 percent, or $29 billion over time. In 2015, bilateral trade between the two sides was $72 billion.

- **One Belt, One Road**. Though not strictly a trade pact, China's push to connect East Asia to Europe via Central Asia and the Indian Ocean is winning new converts seemingly every day. Japan is now making cooing noises about joining President Xi Jinping's biggest initiative, and Europe - especially Greece and much of Eastern Europe - is eagerly playing ball.

Meanwhile, the Trump administration has put its faith in laborious, bilateral trade deals with individual countries - on paper, at least. There's been little or no action so far.

Trump has talked up a trade deal with the U.K., but that can't happen until London leaves the EU, a process which could take years. Commerce Secretary Wilbur Ross has floated the idea of reviving a version of the Transatlantic Trade and Investment Partnership with the European Union, but European leaders have shown little interests in doing so.

Trump has also promised to rewrite the free trade agreement with South Korea - which only went into force in 2012 - which would be a spectacular waste of limited negotiating resources to revise a five-year old pact.

Meanwhile, American companies are the ones bracing for pain. Japanese carmakers like Toyota and Honda will gain greater access to the massive European market. But because TTIP is off the table for now, Detroit is out of luck. Southeast Asia and the Pacific Rim, which would have been pried open by TPP, are instead edging closer to Beijing and its model of international commerce.

"It's really unclear what the Trump administration's proactive trade strategy is, if there is one at all," Bown said. "It seems as if their strategy is to disengage.

Source: chicagotribune.com - July 13, 2017

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NATIONAL NEWS

India-China trade balance agreement remain a non-starter after 3 years

While the trade deficit with China continues to balloon, which is currently over $51.09 billion, next month would mark the third anniversary of India signing an agreement achieving bilateral trade balance with the nation by 2019.

The Five-year Program for economic and trade cooperation is a joint medium term roadmap for promoting trade and investments, signed between the nations back in September 2014.

"While it is broad based, it acknowledges the pitfalls of one-way trade," a senior government official said under conditions of anonymity.

Apart from this, the agreement also asks for easing of restrictions by the Chinese government against high potential export items such as bovine meat, fruits & vegetables and basmati rice, among others. Of these, only basmati rice has seen a breakthrough with 14 firms allowed rice to be exported to China last year.

However, since the agreement is 'non-binding', the scope of deliberations with regard to reducing trade deficit depends significantly on the presence of a free environment for discussion, he added.

Growing allegations of military incursions from both sides have restricted that space further. The armies of both the nations are currently in the midst of a standoff at the disputed Doklam plateau of Bhutan. In this regard, the Commerce Department officials said the chances of further conclusive talks on trade issues remain slim in the near future.

However, the government is throwing its weight behind a long term plan of revising the export basket to China. Raw materials like cotton, iron ore and copper, which have been a hallmark of Indian exports to China for long, has come under increasing scrutiny as the government and exporters try to shift export priorities towards value-added products in a bid to cap growing trade deficit.

Union Minister for Commerce and Industry Nirmala Sitharaman had earlier said that export focus should shift out from raw materials. The Ministry has identified key sectors such as hardware, electronics, pharmaceuticals, textiles, auto components, to realign and boost exports.

A revised export basket to China has the potential to significantly boost export earnings and bridge the trade deficit which was a whopping $61 billion in the financial year (FY) 2015-16.

With a burgeoning middle class and rising labour costs, China is expected to relinquish its dominance over the labour intensive and low-end manufacturing space in the near future. Industries in India are closely following this development in China.

"We are looking to harness our strengths in labour-intensive sectors where India enjoys [a] significant advantage over other developing nations," a Commerce Ministry official said under conditions of anonymity.

Currently, the top five export categories to China are all input products. These are used by China to manufacture costlier goods, which it ships abroad — often back to India.

In the last FY, India's highest export earners were iron ore, cotton and organic chemicals worth $1.43 billion, $1.34 billion and $886.96 million, respectively.

These, along with other raw materials like copper, constituted for more than 70 per cent of India's exports to China, Ajay Sahai, Federation of Indian Exports Organisations said.

"However, the trend is slowly changing. While now cotton is increasingly being imported from China and manufactured yarn exported back, the reverse was true 5-6 years back," he added.

Greater trade in the areas of hardware, electronics and renewable energy has the potential to expand greatly, according to Sachin Chaturvedi, Director General of Research and Information System for Developing Countries (RIS), a think tank under the Ministry of External Affairs.

On the other hand, India imports products much higher up the value chain from China with electrical machinery topping the list at $21.98 billion, organic chemicals at $5.61 billion and plastic articles at $1.8 billion.

It would also insulate exports from being at the mercy of high volatility in global commodity markets as had been evident last year when copper and iron shipments to China fell owing to historically low demand and a glut in supply.

Source: business-standard.com- July 13, 2017

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Walmart to open 15 outlets for wholesalers in Maharashtra

American retailer Walmart plans to invest Rs 900 crore in order to open 15 outlets in Maharashtra which will cater to wholesalers. These new stores can be expected to generate employment for over 30,000 people in the state. The industries department of Maharashtra has signed a memorandum of understanding (MoU) with Walmart regarding its expansion.

The additional 15 stores will be opened in Maharashtra in the next few years, said the Chief Minister's office in an official statement. Walmart currently has two stores in Maharashtra – one each in Amravati and Aurangabad.

The retailer already has 21 wholesale membership clubs in 9 states in India that offer close to 5,000 items. The company plans to have 49 more cash and carry stores in India by 2020.

Chief Minister of Maharashtra Devendra Fadnavis was present during the signing of the MoU along with Pravinsingh Pardeshi, additional chief secretary of the CM; Sunil Porwal, additional chief secretary (industries); Harshdip Kamble, development commissioner; and Krish Iyer, head of Walmart India.

Source: fibre2fashion.com- July 13, 2017

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Maha power looms to plead for relook at GST rates, fear inability to stay afloat

Powerloom operators from Bhiwandi, Ichalkaranji, Malegaon, Vita and Yevala in Maharashtra will soon make a representation to the state and the Central government with a plea to reconsider the goods and services tax (GST) rates on various stages of job work involved in the production of cloth.

A large number of units are currently closed down and seek clarity from the state and the Central government.

Under the new tax regime, master weavers have to pay taxes for buying yarn — 18% on man-made fibre yarn and 5% on cotton yarn. This apart from a 5% tax on services.

Rashid Tahir Momin, treasurer of Bhiwandi Powerloom Weavers Federation, told DNA Money, "The government needs to totally exempt the job work in power loom sector from the recovery of GST. Small unit owners, who are in job work cannot afford to maintain records and make payment as they are financially and educationally in a bad shape."

Momin informed that the composite units may be in a position to bear the GST burden but not those who are in job work.

He explained that under the job work system, a manufacturer sends his goods to a job worker for initial process, intermediate process, assembly, packing or any other completion process and later supplies such goods to its customers or uses them in any other manufacturing process accompanied by its own. The goods sent for job work maybe raw material, component parts, semi-finished goods and even finished goods.

Momin said, of the 8 lakh units in Bhiwandi, more than 50% are currently closed since Tuesday for five days.

"The allied industry including sizing, twisting, warping, doubling and yarn dying are also unable to pay GST, and therefore, the government will have to relook it for their survival. A representation will soon be made to the Union Finance Minister Arun Jaitely and Union Textile Minister Smriti Irani," he added.

According to Momin, each power loom in Bhiwandi produces 70 metres per day.

Former minister Prakash Awade said of the 120,000 units in Ichalkaranji cluster in Kolhapur district, more than 50% are shut.

"These units insist on the simplified nature of GST. If the present GST rates on job work system will continue there will be a rise in the manufacturing cost. This won't be set off by the tax levied on the product, and ultimately, they have to bear the additional cost," he noted.He informed that the daily turnover of the power loom units in Ichalkaranji cluster is of the order of Rs 40 to 50 crore per day.

Shiv Sena legislator Anil Babar from Khanapur in Sangli district said that most of the 7,000 power loom units are closed down. "The power loom operators are not sure whether there will be a buyer for the produced cloth with the present GST structure," he noted.

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- A large number of units are currently closed down and seek clarity from the State and the Center
- Under GST, master weavers have to pay 18% taxes for buying man-made fibre yarn, 5% on cotton yarn

Source: dnaindia.com- July 14, 2017

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'India's exports to top ten destinations increased to 51.6 pc'

India's exports to top ten destinations have gained strength as the share of top ten destinations has increased to 51.6 percent in 2016-17 from 49 percent in 2013-14, said Gopal Jiwarajka, President, PHD Chamber of Commerce and Industry.

The decline in exports growth rate was also less with top ten destinations as compared with rest of the economies.

Export volume to top ten export destinations declined 7.7 percent from USD 154.05 billion to 142.55 billion in 2016-17 whereas export volume to rest of the economies declined 16.6 percent from USD 160.36 billion in 2013-14 to USD 133.73 billion in 2016-17.

India's overall merchandise exports declined 12 percent during the same period from 2013-14 to 2016-17 from USD 314 billion to USD 276 billion.

Despite overall slowdown in exports growth, it is inspiring to know that India's merchandise exports to USA grew from USD 39.14 billion in 2013-14 to USD 42.33 billion in 2016-17 showing a growth of 8.1 percent with the World's largest economy, said Jiwarajka on Wednesday in New Delhi.

However, India's exports to China declined 31 percent from USD 14.82 billion in 2013-14 to USD 10.2 billion in 2016-17.

Nearly 53 percent of the India's exports to USA are in the form of consumer goods, followed by intermediate goods (29 percent), capital goods (12 percent) and raw materials (6 percent).

India and USA have consistently increased their intra-industry trade over the last many years, said Jiwarajka.

Going ahead, scope for enhancing the present intra-industry trade between India and USA is immense, he said.

India's products' export pattern has grown tremendously in tandem with the import pattern of USA. The alignment has recently witnessed a jump in 2016 indicating the demand pattern of USA has been inclined more and more in favour of supply pattern of India, he added.

Considering the steady trade pattern with USA, our exports to USA are seen at USD 50 billion by the next financial year 2018-19, said Gopal Jiwarajka

Exports to UAE also increased from USD 30.52 billion in 2013-14 to USD 31.3 billion during the same period showing a growth of 2.5 percent, said Jiwarajka.

Hong Kong has superseded China as the 3rd biggest export destination for India on the back of rising demand of Indian products in Hong Kong.

India's exports to Hong Kong grew 11.2 percent from USD 12.73 billion in 2013-14 to USD 14.2 billion in 2016-17, he said.

Going ahead, we are hopeful that our exports will touch USD 325 billion mark in the current financial year 2017-18, Jiwarajka added.

Source: smetimes.in- July 13, 2017

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Short on detail

GST becomes a confusing affair for exporters

After the implementation of GST, the Government has gone on an extensive media campaign clarifying various issues under the tax law apart from extolling its benefits. The GST twitter handle is responding to an eclectic variety of questions from taxpayers.

Exporters had a lot of questions to ask since the procedures for export of goods under GST were not laid out unlike the erstwhile Central Excise procedures. The Central Board of Excise and Customs has responded in what is going to be a norm in the GST era — issuing a notification and a circular that draw reference to each other.

Export matters

Under GST, it appears that exporters have three options: pay IGST and claim a refund, provide a letter of undertaking (LUT) or provide a bond. Notification No 16/2017 states that a status holder (which means a trading house which has earned itself one to five stars) who has received the due foreign inward remittances amounting to a minimum of 10 per cent of the export turnover, which should not be less than ₹1 crore in the preceding financial year and who has not been prosecuted for any offence either under the erstwhile indirect tax laws or under GST can provide a LUT. The prosecution should have been for an offence exceeding ₹25 crore. One is not sure if the intention really was to fix the limit at ₹25 crore.

The LUT would be valid for a period of 12 months. All exporters who do not meet these criteria would need to file a bond. Circular No 4/4/2017 clarifies that the bond would cover the amount of tax involved in the export based on estimated tax liability as assessed by the exporter himself.

The exporter shall ensure that the outstanding tax liability on exports is within the bond amount. In case the bond amount is insufficient to cover the tax liability in yet to be completed exports, the exporter shall furnish a fresh bond to cover such liability.

Rule 96A of the CGST Rules requires furnishing a bank guarantee with the bond. The Board has clarified that that the jurisdictional Commissioner may decide about the amount of bank guarantee depending upon the track record of the exporter. If the Commissioner is satisfied with the track record of an exporter then furnishing of bond without bank guarantee would suffice. In any case the bank guarantee should normally not exceed 15 per cent of the bond amount.

The instructions get even more interesting. It states that the Bond/LUT shall be accepted by the jurisdictional Deputy/Assistant Commissioner having jurisdiction over the principal place of business of the exporter. The exporter is at liberty to furnish the bond/LUT before Central Tax Authority or State Tax Authority till the administrative mechanism for assigning of taxpayers to respective authority is implemented.

However, the Commissioner of State Tax can direct the Bond/LUT in all cases to be accepted by Central tax officer till such time the said administrative mechanism is implemented. In short, the notification seems to suggest that the Bond/LUT can be submitted to any tax authority.

Though there is some clarity on exports, taxpayers have reasons to worry. The circular states that the notification is dated July 1, but the actual date of the notification is July 7.

The notification draws reference to Paragraph 5 of the Foreign Trade Policy of 2015-2020 but the reference should have been to the summary of the Foreign Trade Policy and not the policy itself. In its bid to hasten clarifications, the CBEC is missing many detail and the smaller aspects of the law.

Source: thehindubusinessline.com- July 14, 2017

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'Logistics cost in India will drop to global average'

Logistics cost in India will come down to match global average in the next two years, according to Deepak Bagla, Managing Director & CEO, Invest India, a central government agency dedicated to attracting foreign investments.

Logistics cost in India is in the range of 18-20 per cent. Currently a truck going from Delhi to Kolkata will take between 13-16 days. "But, with the kind of road projects and infrastructure development being done, the trucks will be able to move in four days from Delhi to Kolkata by 2019, when our logistics cost will meet the global average of 10-12 per cent. I am not referring to GST," he told the 181st annual general meeting of the Madras Chamber of Commerce and Industry.

'Make in India' plan

The drop in logistics cost will make operating in India more competitive and attract manufacturing investments into India. "This is the objective of the Make in India exercise, under which India will be turned into an industrial hub," he claimed.

Bagla said Make in India is a big business plan though there were different views about it. "When the government chose the 25 sectors, they were chosen on the basis of investments that were already coming in," he pointed out.

Presenting a bullish view on the country's future growth, Bagla claimed India is not just the number of one country for FDI globally, but also number one country for any global corporate entity wanting to open an R&D centre outside its home country.

Need for job creation

Presenting a view on the business sentiments, TT Srinivasaraghavan, Managing Director, Sundaram Finance, felt that though everything looked all right, effects of those were not seen at the ground level.

“Somewhere all the feel good things don’t seem to be translating on the ground. I have started to believe that there is a statistical reality and a real world reality,” he added.

He highlighted the urgent need to create jobs for the graduates who enter job market every year in order to prevent any social consequences.

“If we don’t do anything quickly in generating jobs, this demographic dividend could very easily turn into a demographic time bomb,” cautioned Srinivasaraghavan. In this context, skill development, MSME financing, vocational training would assume importance, he felt. He highlighted the growing cost of compliance for companies and said the regulatory overhang was something that needed to be debated.

Arguing that not all of corporate India was corrupt or fraudulent or evaded taxes, he wanted the government to acknowledge good corporate citizens and reward them.

He suggested measures such as a two per cent tax rebate for companies that have full compliance and zero litigation. “At this juncture, there is no incentive to be a good corporate citizen,” he said.

Source: thehindubusinessline.com- July 14, 2017

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With jobs data hurting policy, Niti Aayog panel wants new surveys

Recognising that lack of timely and periodic jobs data hurting policy-making in India, a task force headed by Niti Aayog vice-chairman Arvind Panagariya has reccommended a set of new surveys, including a comprehensive household survey, to bring out annual national jobs data as well as quarterly urban employment estimates.

Besides the household survey, the panel recommended an annual enterprise survey using goods and services tax network (GSTN) as the sample frame, an annual survey of enterprises excluded from the GSTN database, use of administrative data-sets such as employee provident fund organisation (EPFO) and data from government schemes. These data would compliment the household survey data.

It also made four additional recommendations: Use of an Universal Enterprise and Establishment Numbers, preferably GSTN; creatation of a central server for all government data; investment in modernising and revamping the statistical system and elimination of duplication in surveys and harmonization of reports.

The draft report on employment surveys was put in the public domain on Thursday for public comments until July 23.

The panel also recommended that at least for the purpose of counting, formal workers would deemed to be those who are enrolled in provident funds, medical insurance or pension schemes and workers subjected to tax deduction at source.

For the new household survey, the NSSO has started an exercise named the Periodic Labour Force Survey (PLFS) that will provide annual estimates of labour force, employment, unemployment, industry structure of workforce, nature of employment and wages nationally and regionally on an annual basis.

The survey will also generate the estimates for urban areas on a quarterly basis. Households in urban areas will be visited about four times, constituting a rolling panel for 3 quarters. This will facilitate the tracking of seasonal employment and changes in employment characteristics over time. The fieldwork for this survey is already underway, having commenced on April 1, 2017. The Task Force is of the view that this survey will go a long way towards fulfilling the current vacuum in the availability of information relating to India's labour markets. The PLFS replaces the NSSO's Employment-Unemployment quinquennial surveys.

The panel recommended a new time-use survey at three-year intervals to collect information on how individuals allocate their time over a specified time period, usually a day or a week. It also recommended enhanced use of technology in data collection.

After reports of job losses in several sectors including IT, some critics have panned the GDP growth of 7.1% in 2016-17 and 8% in 2015-16. This premise was largely based on the quarterly employment survey (QES) of the Labour Bureau. The QES sample is not representative of all sectors and only covers 3 crore workforce on eight sectors, but total work force in India including the farm sector is about 47 crore.

Source: financialexpress.com- July 14, 2017

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India, Bangladesh to pilot freight train service in August

Come August, India and Bangladesh will run a container train on pilot basis between Dhaka and Kolkata to assess the feasibility of extending the services on commercial basis. Bangladesh is the ninth-largest importer of Indian goods.

In April, State-owned Container Corporation (CONCOR) had signed an MoU with Container Company of Bangladesh Ltd (CCBL) in this regard, during Bangladesh Prime Minister Sheikh Hasina's visit to New Delhi.

According to sources in the Railways, a full rake of empty containers will go to Dhaka through the only broad-gauge connection through Gede(India)-Darshana(Bangladesh) border gates in West Bengal. Bangladesh will send the rake loaded with their export cargo.

The broad-gauge connection is currently used for running a passenger train, Maitree Express, between Dhaka and Kolkata.

A welcome move

The effort, if successful, may have a major cost impact on the $6-billion bilateral trade, which is currently dominated by non-containerised road cargo — mostly through the Petrapole border in West Bengal.

Road transport is distinctly costlier than rail. A 2010 BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) trade logistics study pointed out that rail movement can be 30 per cent cheaper than even sea-freight (which is normally considered the cheapest) between the two neighbours.

To add to the problem, India-Bangladesh road cargo is subjected to heavy rent-seeking and delay, especially in the 70-km congested stretch between Kolkata and Petrapole.

As the trade is heavily tilted in favour of India, the road movement eats into the competitiveness of Indian exports ($5.4 billion). Loading and unloading of non-containerised road cargo at the border further makes the trade costly and unsafe.

Direct movement of containerised cargo by train may, therefore, reduce trade costs significantly. Also, containerisation will make the trade more organised and safer.

Feasibility a concern

But the proposal is not free from concerns. To reach Dhaka, the train has to cross the 5-km long Jamuna Multipurpose Bridge, connecting Eastern and Western Bangladesh.

Opened in 1998, the bridge developed cracks by 2008, leading to load restrictions. It is therefore yet to be established if a loaded container train can reach Dhaka.

Sources say Bangladesh authorities now claim that the bridge is fit for container movement. To further allay Indian fears, Dhaka has decided to run the loaded train from their end.

Iswardi project dumped

Meanwhile, the freight train proposal seems to have sealed the fate of the proposed inter-modal transhipment facility at Iswardi in Western Bangladesh.

Considering the load restrictions on Jamuna bridge and the inadequacy of rail network in Bangladesh, India had previously proposed setting up a rail-connected dry port facility, right across the border.

The aim was to promote rail movement for the Indian leg of the journey, while offering wide logistics choice for movement of goods in Bangladesh. The proposal was discussed by the Bangladesh-India Joint Working Group in 2013 and 2014.

A source told *BusinessLine* that the proposed facility wouldn't be required if the rail freight services are opened between Dhaka and Kolkata.

Source: thehindubusinessline.com- July 14, 2017

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Worried exporters to meet today

The Synthetic and Rayon Textile Export Promotion Council (SRTEP) has called a meeting of the textile exporters on Friday to discuss the post-GST issues and the impact of the indefinite strike by the traders on the export of the fabric.

Chairman of SRTEPC, Narain Aggarwal told TOI: "The indefinite strike by the textile traders has adversly impacted the textile exporters who are closely linked with them to meet their fabric export requirements.

The strike has dealt a blow for the exporters in Surat and across the country too."

Aggarwal added, "GST has not bee imposed on textile fabrics alone but several goods and services. Ultimately, the government wants the end user to pay the tax and traders will be acting as the collectors.

In the larger interest of the textile trade, it is advisable to call off the strike and get back to business." SRTEPC has been strongly representing about the GST issues to the central Government and the GST Council since the last two months.

"Time has come for the genuine traders to come out in the open, seek police protection and start operating their shops. The business season has already started with the upcoming Durga Puja, Rakshabandh and Diwali festival. Keeping the shops shut for long is only going to ruin the business," said Aggarwal.

According to Aggarwal, the agitating traders should directly get in touch with the Central Government to resolve the GST issues. The government is ready to listen to all the stakeholders for an amicable solution.

"SRTEPC is ready to take a lead on behalf of the textile traders willing to open their shops. The police is prepared to provide full-proof protection to the traders wanting to open their shops," added Aggarwal

Source: timesofindia.com- July 14, 2017

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GSTIN not necessary if exempt goods imported/exported: CBEC

Importers and exporters of goods, that are exempted from GST, do not need to obtain a GST registration number and can clear their consignments by quoting PAN, the customs department said.

The department issued the clarification amid reports of some consignments being delayed at ports for want of clarity on rules governing the new Goods and Services Tax (GST) regime.

"It is being clarified and assured that there is no hold up of import and export consignments, wherever GSTIN is legally not required.

"Importers, exporters and customs brokers are requested to quote authorised PAN in the bills of entry or shipping bills for such clearance," the Maharashtra wing of customs department said in a public notice.

The Goods and Services Taxpayer Identification Number (GSTIN) is a 15 digit unique code which is assigned to each registered business or trader.

It replaces TIN (Taxpayer Identification Number) - the unique 11 digit number allotted to each business entity which was registered with the commercial tax department in the previous indirect tax regime.

Post of the implementation of GST from July 1, there have been some confusion over requirement of GSTIN for clearance of consignments at ports.

The Central GST Act exempts businesses engaged exclusively in the supply of goods (import and export) which are exempt from GST from obtaining registration under the new indirect tax regime.

The customs department in Maharastra, which handles the largest container port of Nhava Sheva, has now clarified that PAN will be sufficient for clearance at ports for goods which does not require registration under GST.

"Difficulty, if any may also be brought to the notice of Deputy / Assistant Commissioner in charge of Appraising Main (Export) through email/phones," the notice said.

Further, Directorate of International Customs (DIC) has been set up on July 1 which will assist the CBEC in international matters pertaining to customs, integrated GST and tariff matters.

The DIC would be headed by a Principal Commissioner and will report to the chairman of Central Board of Excise and Customs (CBEC).

Source: business-standard.com- July 13, 2017

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