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IBTEX No. 24 of 2019 February 01, 2019

USD 71.20| EUR 81.46 | GBP 93.26 | JPY 0.65

Cotton Market

Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm

Rs./Bale	Rs./Candy	USD Cent/lb
20383	42600	**76.30**

Domestic Futures Price (Ex. Warehouse Rajkot), February

Rs./Bale	Rs./Candy	USD Cent/lb
209890	43848	**78.53**

International Futures Price

NY ICE USD Cents/lb (March 2019)	74.40
ZCE Cotton: Yuan/MT (May 2019)	15,220
ZCE Cotton: USD Cents/lb	103.03
Cotlook A Index – Physical	**83.70**

Cotton Guide: The changes in the ICE contracts were insignificant yesterday where the nearby ICE futures settled almost unchanged. The ICE March contract gained just 4 points settling at 74.40 cents/lb, whereas the the ICE May Contract ended with a negative change of (-8) points thus settling at 75.66 and the July contract ending at 76.90 with a change of (-12). We expect the market to remain range bound for today.

The MCX contracts on the other hand were biased sideways which ended up in slight negative numbers. The MCX February contract ended at 20980 Rs/Bale with a negative slide of (-10) Rs. The MCX March contract ended at 21260 Rs/Bale also with a negative slide of (-40) Rs. The MCX April contract similarly held in line with the other two contracts thus ending with a negative slide of (-20) at 21540 Rs/Bale.

The arrival figures in India have been showing an uptrend with figures crossing 175,000 lint equivalent bales. The arrivals are estimated to be 176,500 lint equivalent bales (source cotlook) including 54,000 registered in Maharashtra, 45,000 from Gujarat and 33,000 in Andhra Pradesh. Shankar 6 prices were again steady at 42,600 Rs/Candy. The cotlook Index A has been adjusted to 83.70 cents/lb with a positive change of 0.15 cents/lb.

After a long time the US export sales report since the government shutdown was released. For the week ending December 20, US export sales for 2018/2019 season were up by 373,100 RB (running Bales) which is a marketing year high and sales for 2018/2019 season increased by 4,000 RB. Export shipments were reported at 207,100 RB.

Nothing concrete emerged out of the US China trade deal negotiations. On the other hand there will be another round of talks in mid February. The delegation is to be led by US trade Representative Robert Lightzer and Treasury Secretary Steven Mnuchin.

On the technical front, ICE cotton futures is trading in the range of 73-74.60 after last week's recovery from the low's. For now price is moving in an upwards sloping channel, failure to hold the channel could witness sharp decline in prices. However RSI in the daily charts at 52 implying sideways movement for the day. Only a sustained move above range could bring further buying in cotton futures towards higher levels of 75.35, followed by 76.20. On the downside immediate support exists around 73.00-72.80 zones, only a close below could weaken further towards 72.28 and 71.90 levels. In the domestic markets trading range for Feb futures contract will be 207500-21200.

Currency Guide

Indian rupee may witness choppy trade against the US dollar but general bias remains weak. Further cues are likely to come from the Interim Budget today. Market expectations are high that government may announce measures to support farmer which could put pressure on fiscal balance. Amid other factors, rupee is also pressurized by choppiness in Asian equity markets amid disappointing Chinese economic data and no major breakthrough at US-China trade talks. Both US-China cited substantial progress but no specifics were announced and US delegation is now expected to visit Beijing around mid-February. Also weighing on rupee is general strength in crude oil price amid OPEC's production cuts and supply concerns relating to Venezuela. However, supporting rupee and other currencies is Fed's patient stance on interest rate hikes and flexible approach on bond reduction plan. Mixed economic data and lower bond yields has also pressurized US dollar against major currencies. Rupee may tread water ahead of Budget announcement but general bias still remains weak given strength in crude oil and choppiness in equity market. USDINR may trade in a range of 70.8-71.25 and bias may be on the upside.

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

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INTERNATIONAL NEWS

Trump Says No Final China Trade Deal Until He Meets With Xi

President Donald Trump said negotiations are going well on the last day of high-level trade talks between the U.S. and China but that no deal will be final until he meets with Chinese President Xi Jinping.

"Meetings are going well with good intent and spirit on both sides," Trump said in a tweet Thursday. "No final deal will be made until my friend President Xi, and I, meet in the near future to discuss and agree on some of the long standing and more difficult points," Trump said in another posting.

U.S. Trade Representative Robert Lighthizer will lead a second day of negotiations Thursday with Chinese Vice Premier Liu He, the highest-level talks since Trump met Xi on Dec. 1 and declared a 90-day truce aimed at reaching a lasting deal to end the trade war. Trump is scheduled to meet with Liu later in the day.

Trump added that he and China's trade representatives are trying to "do a complete deal, leaving NOTHING unresolved on the table." He then added: "Tariffs on China increase to 25% on March 1st, so all working hard to complete by that date!"

China has invited Trump to meet Xi next month in an effort to resolve the trade conflict, the Wall Street Journal reported on Thursday, citing people briefed on the negotiations. China has proposed that the leaders hold talks in China after Trump's planned summit with North Korean leader Kim Jong Un, scheduled for mid-February, the Journal reported.

A breakthrough deal is seen as unlikely from this round of negotiations, and the White House has said a concluding statement will be released outlining progress made on core issues such as Chinese technology transfers and intellectual property practices, market access, and Beijing's pledge to buy more American goods.

But Trump's tweets Thursday were the clearest articulation he has given so far of his desire for a deal to resolve his trade war with China.

By declaring that "NOTHING" would be left unresolved he also set a high bar for what could be accomplished in the next month before a March 1 deadline when tariffs on $200 billion in Chinese imports are set to more than double.

That bold declaration is at odds with the consensus view of analysts and many in the business community who argue that extracting meaningful concessions from China will take time and could potentially require years to verify.

It also conflicts with what China hawks in Trump's own administration have been saying all along. Their view has been that extracting real reforms from China that fundamentally alter its economic model—and making sure they stick—would entail a long grind. They also have mocked previous administrations for claiming victory in discussions with China only to see Beijing later flout agreements.

Source: sourcingjournal.com- Jan 31, 2019

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USA: Container Freight Rates Fall as Asian Routes Suffer, But Higher Costs Ahead

A decline in transpacific freight rates drove down the composite World Container Index (WCI), assessed by Drewry, for the week ended Thursday.

"With initiation of Chinese New Year, we expect the rates to fall," in coming weeks due to low demand, Drewry said. The Chinese New year begins on Tuesday, with factories in China and some facilities in Vietnam and elsewhere in Asia closing for several weeks surrounding the celebration.

Container freight rates for eight major routes to and from the U.S., Europe and Asia fell 2.6 percent to $1,719.61 per 40-foot container or equivalent unit (FEU) for the week. However, the index was still up 11.7 percent up compared with same period in 2018.

The average composite index of the WCI year-to-date was $1,744 per FSU, which was $240 higher than the five-year average of $1,504 per FSU.

Freight rates on Shanghai to New York shipments plummeted $249 to $3,131 per FEU. Similarly, rates from Shanghai to Los Angeles declined $117 to $2,080 per FEU.

Conversely, freight rates on ships from Shanghai to Genoa, Italy, increased $28 to reach $1,883 per FEU.

While lower demand, particularly on routes emanating from Chinese ports, might be holding down freight rates, other factors portend higher rates on the horizon.

Under new industry regulations, the sulfur content of bunker fuel content must be 0.5 percent compared to the current 3.5 percent fuel sulfur content ceiling. To become compliant, ship owners are investing in compliant fuels, liquid natural gas or scrubber technology.

They are also instituting bunker adjustment factor surcharges to recover the costs of compliance with a global sulfur cap that enters into force on Jan. 1, 2020.

The latest to institute surcharges is Ocean Network Express (ONE), which said last week that it was putting a $15 per 20-foot container fuel surcharge as of March 1 in light of the new low-sulfur fuel mandate.

Ocean Network Express was established in 2017 by the integration of 'K' Line, MOL and NYK.

"ONE continues to explore all avenues available to mitigate fuel consumption and fuel associated costs for the benefit of the global environment and the supply chain costs of our valued customers," the carrier said.

Major carriers Maersk and CMA CGM have also imposed fuel surcharges ahead of the deadline for integrating higher-cost, lower-sulfur fuels next year.

Source: sourcingjournal.com- Jan 31, 2019

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Chinese New Year Adds Uncertainty for Importers in Unstable Trade Climate

This year, Chinese New Year could complicate things more than in years passed.

The normal rush to get goods into the U.S. from China prior to Chinese New Year and the resultant factory shut downs of up to four weeks has been exacerbated this year thanks to the already heightened fulfillment and delivery concerns caused by the U.S.-China trade war.

Typically, apparel, textile and footwear importers plan accordingly and don't have many problems, but it seems uncertainty is the new normal in trade strategies of late.

"Much like forecasting the container volumes in the final three months of 2018, projecting the impact of the Lunar New Year on import volumes to the U.S. and Canada this year is complicated by the specter of increased tariffs set to take effect on March 1," Daniel Hackett, founder of Hackett Associates, said.

There was an end-of-year surge in cargo volumes, according to Hackett, as retailers brought merchandise in early ahead of the original Jan. 1 time frame for the increase in tariffs, and now there could be another surge in February.

"That would require factories in China to resume operations more promptly than we typically see following the holiday," Hackett said. "The flip side is that factories may have reduced orders" due to the threat, as importers have diversified to limit the risk form China, "and will therefore take longer to return to full operation. Either scenario would have a huge impact on the cargo volumes we can expect to see in the coming months."

U.S. ports covered by Global Port Tracker handled 1.81 million twenty-foot equivalent units (TEU) in November, a 2.5 percent year over year increase, but an 11.4 percent decline from the record 2.04 million TEU set in October. A TEU is one 20-foot-long cargo container or its equivalent.

December retail cargo imports were estimated at 1.79 million TEU, a 3.7 percent year-over-year increase. But January shipments are forecast at 1.75 million TEU, down 0.9 percent from a year earlier, and February imports are seen falling 0.9 percent year-over-year to 1.67 million TEU. Looking further ahead, cargo imports are projected to be up 0.6 percent in March to 1.55 million TEU and increase 3.7 percent in April to 1.69 million TEU.

February and March are typically two of the slowest months of the year for imports due to the post-holiday drop in demand and the impact of the Lunar New Year factory shutdowns in China and some facilities in Vietnam and elsewhere in Asia.

Industrial contract manufacturing company East West, offering advice on its website to customers, said, “Although Chinese New Year officially only lasts for one week, many factories and businesses shut down about 10 days before…to allow time for workers to travel home. There is always a mad rush to ship product out of ports before the country shuts down. This can lead to increased freight costs and longer transit times if there is a delay at port or a container is not loaded on its intended vessel.”

East West said the holiday can disrupt production and shipping schedules for up to three weeks or more. With the holiday and surrounding disruption beginning Tuesday, this would mean the entire month of February could be a washout.

“Since China is an economic giant in the global exporting industry, the effects of Chinese New Year can ripple around the world, especially for retailers and anyone else who relies on imports from China,” East West said.

Alba Wheels Up, a customs brokerage and freight-forwarding firm, said in its newsletter this week that despite a rush to ship goods prior to Chinese New Year, the Asian air freight market remains reasonably flat.

“Carriers may turn to higher rates during future shipping peaks in order to recover losses experienced during the lull periods,” the company warned.

Hackett noted that the threat of the March 1 imposition of 25 percent tariffs on a range of goods, including apparel and footwear, entering the U.S. from China could change plans for factories in the country. According to which Trump administration is speaking and at what moment, the two countries are either close to reaching an accord to avoid further tariffs or miles apart.

He noted that last year, the West Coast ports in the U.S. and Canada covered by the Global Port Tracker experienced a 19 percent decrease between February and March during Chinese New Year, which began 11 days later on Feb. 16.

“This year, the holiday falls a little earlier than in 2018, but we anticipate that the overall decrease during the period will be similar,” Hackett said.

Source: sourcingjournal.com- Jan 31, 2019

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Chinese manufacturing improves but activity sluggish

China's manufacturing improved in January but activity was sluggish, a survey showed Thursday, as U.S. and Chinese negotiators wrangled in Washington over a tariff war.

A measure of factory activity issued by the government statistics agency and an industry group rose 0.1 points on a 100-point scale but stayed below a level that shows activity expanding. Measures for employment and domestic demand weakened.

China's economic growth sank to a three-decade low of 6.6 percent in 2018 after activity in the final quarter of the year dipped to its lowest level since the 2008 global crisis.

"We see economic growth remaining sluggish" through mid-2019, Citigroup economists said in a report. "We believe the government will step up efforts to keep the labor market stable."
Chinese and U.S. negotiators began talks Wednesday in Washington aimed at resolving the fight over U.S. complaints about Beijing's technology ambitions.

No details were announced. Business groups see a decision by the top U.S. and Chinese trade envoys to take part as a positive sign, but economists say this week's meeting can at best make limited progress toward resolving sprawling irritants.

President Donald Trump jolted Chinese manufacturers in July when he started hiking tariffs on billions of dollars of goods in response to complaints Beijing steals or pressures companies to hand over technology.

Trump and his Chinese counterpart, Xi Jinping, agreed on Dec. 1 to postpone further punitive action for 90 days while they negotiate. But penalties of up to 25 percent already imposed on tens of billions of dollars of each other's goods stayed in place.

Exports to the United States shrank 3.5 percent in December from a year earlier as Trump's penalties began to depress demand.

Communist leaders are trying to steer China to slower, more self-sustaining growth based on consumer spending instead of trade and investment.

The deceleration has been sharper than expected, prompting Beijing to step up government spending and order banks to lend more to shore up growth and avoid politically dangerous job losses.

News of layoffs and lower sales of autos and real estate may have helped worsen the downturn by unnerving consumers, causing them to postpone spending.

The monthly purchasing managers' index of the National Bureau of Statistics and the China Federation of Logistics & Purchasing improved to 49.5 from December's 49.4.

The employment index declined 0.2 points to 47.8, showing more producers cutting jobs. The measure of new orders declined 0.1 points to 49.6.

Inventories rose, but ING's Robert Carnell cautioned that might reflect trade tension instead of economic strength as companies stockpile goods, anticipating possible further tariff hikes.

"It probably shouldn't be read positively," said Carnell in a report. "It may have to be unwound in the months ahead." Chinese leaders are trying to reduce reliance on trade and nurture self-sustaining economic growth based on domestic consumer spending. But their plans call for keeping exports stable to avoid politically dangerous job losses.

Some companies have shifted production of goods bound for the United States out of China to avoid Trump's tariffs. Others are lining up non-Chinese suppliers of industrial components.

Source: americanpress.com- Jan 31, 2019

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US cotton builds bridges with Chinese mills

If the ongoing trade war is not resolved soon, mills in China could move away from US cotton permanently and toward Brazilian or West African cotton.

The US cotton industry enjoyed a 46 per cent share of all imports going into China.

But that changed when China issued a 25 per cent tariff on US cotton in retaliation for tariffs placed on Chinese goods by the US.

China accounts for one-third of total global mill use for cotton. For the 2018-2019 marketing year, China may increase its imports by at least seven million bales or higher to meet its mill needs and were it not for the tariffs, the US could have been in a strong position to cater to the demand.

However, China is still seen as a key market for US cotton and the US will promote the benefits of its cotton.

Chinese mills like US cotton for its quality, its consistency and its low contamination. China is the US' most efficient market to ship to in the world so it keeps costs down.

China produced roughly 26 million bales last year, leaving a gap of 15 million bales where it turned to imports and stocks to meet the shortfall.

Source: fashionatingworld.com- Jan 31, 2019

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Jordan's garment exports to rise despite domestic dive

Jordan's garment exports are rising and will continue to grow despite declining domestic sales last year, according to a recent study by the European Bank for Reconstruction and Development (EBRD). Domestic garment sales declined sharply by nearly 60 per cent in 2018, according to Munir Deyeh, president of the Textile and Readymade Clothes Syndicate.

The garment export sector in Jordan is a $1.8-billion industry and is is expected to grow by at least 8 per cent this year, a top Jordanian newspaper reported. The United States is Jordan's top export market.

Eight five per cent of the $1.2 billion worth of commodities exported to the United States annually are garments, Fredon Hartoka, secretary general of the Jordan Investment Committee said.

The country's garment exports to the European Union too are expected to increase due to a 2016 agreement on simplified rules of origin, Hartoka said, adding it will create more jobs and boost the sector's revenues. The agreement is valid till 2026.

Challenges for the sector include absence of trained and qualified local labour, high borrowing costs and the lack of experience among leaders of the sector's small and medium enterprises (SME) sub-segment.

The percentage of foreign labour in the sector is the most pressing issue and needs urgent attention, said Khaled Al Saheb, principal manager for EBRD's SME finance and development group in Jordan. Seventy five per cent of workers in the sector are foreign nationals.

Degree-holding Jordanians avoiding working in garment factories is also another challenge.

Source: fibre2fashion.com- Jan 31, 2019

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Egypt's garment exports cross $1.5 bn-mark in 2018

Garment exports from Egypt earned $1.598 billion last year, registering an increase of 9.5 per cent over $1.459 billion fetched in the previous year, according to the data released by the Readymade Garments Export Council (RMGEC), an organization set up jointly by the ministry of trade and industry and the country's prominent readymade garments exporters.

Nearly 50 per cent or $797 million of the Egyptian apparel exports were destined to the US, according to the data.

Spain and Turkey were the next important destinations with exports worth $143 million and $134 million respectively.

The UK accounted for $108 million of Egyptian clothing during the year, while Germany, Italy and France imported garments valued at $93 million, $74 million and $53 million respectively.

Source: fibre2fashion.com- Feb 01, 2019

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Shandong Ruyi buys global Lycra business

Chinese textile and retail investment company Shandong Ruyi has bought the US-based Lycra business for an undisclosed sum.

Shandong Ruyi, whose retail investments include Aquascutum and SMCP (Sandro, Maje, and Claudie Pierlot), will take over the world-famous lycra brand, all assets and contracts relating to Lycra from current owner Invista and rename the business The Lycra Company.

Lycra's CEO Dave Trerotola said in a statement the company was fortunate to have been acquired by Shandong Ruyi.

"[The] company shares our vision and our commitment to delivering high-quality products, technical expertise, and unmatched marketing support to our valued customers," he said.

The new company will operate as an independent subsidiary, and will continue to manufacture advanced fibre and technology solutions for the apparel and hygiene industries. The Lycra Company also owns a raft of consumer and trade brand names, including Lycra HyFit, Lycra T400, L by Lycra, Coolmax, Thermolite, Elaspan, Supplex, Tactel, and Terathane.

"With the continued investment of Ruyi, we look forward to working with our customers to bring exciting innovations to market. Our new shareholder's textile and retail experience will be a tremendous asset as we develop differentiated fibres that deliver the lasting performance benefits consumers have come to know and expect from our brands," said Trerotola.

The acquisition includes eight manufacturing facilities, four research and development labs, 17 offices located in 14 countries, and about 3000 employees. Current management and employees will continue in their roles.

Yafu Qiu, chairman of the board of Shandong Ruyi, promised his company would continue to invest in The Lycra Company's innovation pipeline and brands in order to grow the business.

"As a spandex producer ourselves, we have admired the iconic Lycra brand for years, and we see the value The Lycra Company adds to our business.

We believe its assets and capabilities are a perfect complement to our own and will help strengthen our position as a world-class, fully integrated textile company."

The Lycra Company's legacy stretches back to 1958 with the invention of the original spandex yarn, Lycra fibre.

Shandong Ruyi Investment Holding is the largest textile and apparel company in China, and ranks among the Top 100 Chinese multinational enterprises.

It is headquartered in Jining, Shandong and operates 13 domestic industrial parks.

Source: insideretail.asia- Feb 02, 2019

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Vietnam's garment export up 6.7 pct in January

Vietnam gained nearly 2.7 billion U.S. dollars from exporting garments and textiles in January, posting a year-on-year increase of 6.7 percent, the Vietnam Textile and Apparel Association said on Thursday.

Specifically, turnovers of Vietnamese garments and textiles, including T-shirts, jackets, dresses and fabrics, exported to China surged 23.9 percent, and to Japan rose 7.6 percent.

Vietnam, which is among the world's five biggest exporters and producers of garments and textiles, posted garment and textile export turnovers of over 30.4 billion U.S. dollars in 2018, up 16.6 percent from 2017.

However, Vietnam had to spend more than 12.9 billion U.S. dollars importing cloth last year, up 13.5 percent, the association said, noting that most of local cloth has yet to satisfy quality requirements of the country's key garment export markets.

Source: xinhuanet.com- Jan 31, 2019

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Sustainability Dominates Texworld USA and Apparel Sourcing USA

Sustainability and ethical production were key themes at Texworld USA, held alongside Apparel Sourcing USA, at the Javits Center.

The shows, which took place Jan. 21–23, hosted 330 exhibitors from 18 countries and welcomed 4,100 attendees.

“We’ve developed an incredible educational platform on sustainable topics,” said Jennifer Bacon, Texworld USA’s show director. The show had standing-room-only attendance at the textile talks and seminars presented at the show. These included “The Social Impact of Sustainability,” “Reducing Water Consumption in Textiles,” “Achieving Sustainability Through Fibers and Materials With Textile Exchange” and “What’s Next In the World of Textiles for Recycled and Upcycled Materials?”

Austrian fiber producer Lenzing was on hand promoting its environmental responsibility with products such as Tencel Lyocell fibers, derived from sustainable wood sources, using a closed-loop production process that transforms wood pulp into cellulosic fibers. Among Lenzing's newer developments is Refibra, which turns cotton fabric scraps recycled from garment makers into pulp.

Portuguese manufacturer Scoop, whose core business is technical wear, was displaying striking original designs made from leftover materials from its warehouse. "We hired a group of designers to come and look at our 93 miles of stock and come up with a collection called 'I Used to Be, Now I Am,'" said Chief Executive Mafalda Pinto. "We're not trading the collection. We are just showcasing that upcycling can be fun and creative." Scoop has also created a line of upcycled loungewear for client Tommy Hilfiger.

With uncertainty surrounding more possible U.S. tariffs on Chinese goods, Yan Yan, director of the Office for Social Responsibility of the China National Textile and Apparel Council, said China is in the midst of a remodel. "We are facing the challenges of environmental protection, of increasing costs and how to make our production more people oriented," she noted. "We have taken sustainability as our industry strategy. Over the past five years, our laws [have become] more strict for water, for chemicals, for pollution. Now it is time for us to reshape the industry in a more sustainable way."

Offering options to China was the Sri Lanka pavilion, which highlighted sustainable-apparel manufacturers. And Mauritius, after several years away, made its return to Texworld USA with a dedicated country pavilion. Joyce Lo, marketing manager for the Mauritius-based Karina International, which specializes in childrenswear, said her company is still looking for its first U.S. customer. "We are here to make ourselves known to the U.S. market," Lo said.

The Korea Federation of Textile Industries organized 34 Korean textile companies to attend the show to meet new and current buyers, including Gap, Old Navy and JCPenney. "Our main competitor is China, and their main strength is quantity, but their quality is also increasing," said KOFOTI's Deok-Cheon Chu.

A few U.S. businesses were on hand at the shows' Local Loft space, including AGH/Trimlab, the largest YKK zipper distributor in the Western hemisphere, as well as the last remaining zipper-assembly unit in New York City. "This is the second year we've been at the show," said company representative Thomas Lacari. "We've picked up a lot of startup companies."

Likewise, Chung Yu of Brooklyn-based, family-owned manufacturer MCM Enterprise, said that 10 years ago his company had no need to attend trade shows.

Now he is finding more of his customers among smaller startups. "I don't work as much with the bigger clients anymore," Yu said. "They're higher risk, and they don't put investment into their product."

One such startup resource is the Brooklyn Fashion Design Accelerator, featured in the shows' Resource Row. The Accelerator has a production facility to give emerging designers access to manufacturing services, houses young businesses and sets them up with mentors, while the tech department develops ways to integrate technology into fabric, such as knitting conductive threads and LED lights into materials.

Other Resource Row booths included Queen of Raw, an online marketplace where factories, brands and retailers can post their unused fabric to sell, and Helpsy, a for-profit clothing-collection company based in the Northeast with 700 clothing-collection containers in New York City alone.

"We have a strong environmental mission to keep clothes out of the trash. Last year we collected 25 million pounds of clothes," said owner Rachel Kibbe. "We also want to work with the fashion industry directly.

Instead of shredding or incinerating, there are ways those clothes can be redistributed into other markets and resold."

Source: apparelnews.net- Jan 31, 2019

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Bangladesh: Apparel shipments to India will cross $2 billion

India is becoming a major market for Bangladesh to export US$2 billion worth of apparel in the next two years, said, Commerce Minister Tipu Munshi on 27 January, 2019 in a press briefing after a meeting with Adarsh Swaika, the acting High Commissioner of India in Bangladesh, at his office.

As there is duty-free access to the Indian market and rising demand for garment items at competitive prices, the shipments will cross the $2 billion mark over the next couple of years; Tipu Munshi hoped.

According to the data from the Export Promotion Bureau (EPB), in fiscal 2017-18, garment exports to India was $278.68 million.

"I think there is no obstacle for Bangladesh's export to India as in 2011, India removed all duties on exports of Bangladeshi goods to India. Since then we have not followed any restrictive pattern." Adarsh Swaika said.

"On the widening gap in trade balance between the two countries, India's export to Bangladesh is growing as the country mainly imports raw materials for export. For instance, Bangladesh is a major importer of cotton and active pharmaceutical ingredients from India," Swaika concluded.

According to data from the ministry of commerce, Bangladesh imported goods worth $8.61 billion and exported goods worth $873.27 million in last fiscal year.

Munshi further said, "Six more border haats would be opened soon to facilitate easy availability of goods for those living in the areas."

He, however, did not name the areas where the markets will be set up. Currently, four border haats are in operation.

The Minister assured that he would hold talks with the Indian government to resolve the trade dispute at the Feni border haat as Bangladeshi traders have been complaining about impediments in sales of their goods in the market.

Source: textiletoday.com.bd- Jan 30, 2019

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Pakistan: PM assures govt's full support for revival of textile sector

Prime Minister Imran Khan has emphasized upon paying special attention to the skill development of the youth in the country keeping in view the requirements of the local and international markets.

He said this while chairing a meeting on the issues pertaining to the textile sector.

The Prime Minister assured that the federal government would extend all possible support for the revival of the textile sector.

He said for the stability and improvement of the national economy, special attention should be focused on the wealth creation and skill development for the creation of job opportunities.

The Secretary Textile Division briefed the Prime Minister about different issues related to the textile sector, especially to the Lahore Garments City, Karachi Garments City and Pakistan Textile City Limited .

He also briefed the Prime Minister about the proposed skills development programme under which about to 120,000 youth could be imparted skills training in the next five years.

Source: radio.gov.pk- Jan 31, 2019

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Bangladesh's first 'circular fashion' brand launched

Denim Experts' new brand Circle is manufacturing clothes that can be repaired, remade, reused and recycled

Denim Experts Ltd, a Chittagong-based Bangladeshi denim exporter, has introduced circular fashion— a sustainable change agency creating product and system innovation for a circular economy in fashion and textiles brand— through their new brand, Circle.

For the first time in the Bangladeshi apparel industry, Circle is designing all products so that the sub-components can be disassembled or separated to facilitate repair, remake, reuse and eventually, at the end of the product's lifespan, be recycled.

Moreover, the products are designed with high quality materials aimed to maximize their durability, longevity and attractiveness to many users—particularly if passed on to new users.

These clothes are also produced with non-toxic, high quality, and biodegradable materials, so that the materials may be safely discarded at the end of use.

Speaking to the Dhaka Tribune, Managing Director of Denim Experts Md Mostafiz Uddin, said: "Denim Experts is very pleased to announce that it has introduced circular fashion and is presenting the first images of our first circular fashion collection under the brand name of 'Circle'."

Circle is producing both menswear and ladies fashion wear, such as shirts, tops, pants and other items.

How will the products be recycled?

Professional recyclers seasoned in minimizing environmental impact of the product materials will be working with Circle, since the concept is still quite new for the local apparel industry.

"All of Circle's products are produced taking into consideration all relevant regulations and legislation worldwide," said Mostafiz.

He explained that if some parts are made out of non-biodegradable materials—for example, the buttons and zippers—they will be attached to the garment in a manner that will make it easy to separate them from the main garment components before biodegrading.

International markets will be first customers

Denim Experts has already made a sample batch of circular fashion clothing, which they will display for buyers from Denmark, Sweden and the United

Kingdom. The first batch of products will be on sale from February in those countries.

"In recent years, people have become more aware about climate change and its effect on our planet," Mostafiz commented, adding that the uses of natural sources in manufacturing products is gaining both public approval and widespread demand.

The target audience will initially be women aged 18–30 years for the initial launch and retail prices will range between 100–260 euros.

"We are very proud to be promoting both the story of circular fashion and what is achievable in Bangladesh to a discerning European audience," Mostafiz added.

The origins of circular fashion

The concept of circular fashion originally stemmed from the idea of a circular economy.

While a traditional open-ended economy has no built-in tendency to recycle, a circular economy implies that all materials and products in society are used and circulated amongst its users for as long as possible, in an environmentally safe, effective, and just manner.

In 2017, the Ellen MacArthur Foundation released a new report, entitled 'A New Textiles Economy', which demonstrated a growing momentum in the industry to move towards a circular economy.

Less than 1% of the material used to produce clothing is recycled into new clothing, equivalent to a loss of materials worth more than $100 billion a year.

Source: dhakatribune.com- Jan 31, 2019

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Pakistan: Amended FTA with China to be finalised in mid-Feb

In order to improve Pakistan-China trade relations, amendments to the FTA will be finalised in mid-February dialogue between the two sides.

It is expected that in early March, both the countries will sign an amended FTA.

According to sources, Pakistan has prepared a draft document for amendments to the FTA, which has been shared with Chinese officials. They said according to the draft, duties and taxes on the import of goods from China, which were made locally in Pakistan as well, would be reviewed.

On the other hand, Pakistan will seek relaxation in duties and taxes from China in order to increase the export of different products, including rice, textile and more than a dozen other goods.

The sources said in a bid to finalise amendments to the FTA, Pakistani officials from the trade, finance and textile ministries,FBR and the Board of Investment, including officials from other ministries and divisions concerned, will visit China next month, where a dialogue will be held and duties and taxes on Chinese exports to Pakistan may possibly go up.

They said there was a massive gap in the trade balance between the two countries. Pakistan's annual trade deficit with China has gone above $12 billion.

Source: tribune.com.pk- Jan 31, 2019

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A stable outlook in 2019-20 for Indian textile sector

India Ratings has maintained a stable outlook for the textile sector for 2019-20 following strong domestic demand, waning impact of the disruptions due to GST and demonetisation and rising exports aided by a weak rupee.

Textile companies are likely to improve cash-flow from operations in FY20, as their working capital would stabilise as challenges related to demonetisation and the GST subside. The sector is likely to continue deleveraging gradually in FY20 in view of strong annual growth generation and some moderation in the debt level.

Liquidity of the majority of players in the sector is likely to remain adequate, alongwith an improvement in operational cash generation, backed by steady raw material costs and strong demand from end-user segments.

The domestic and global stock-to-use ratios will remain under pressure during cotton year 2018-19. Global cotton production is likely to decline in cotton year 2018-19 owing to a low acreage and adverse weather conditions in key cotton-growing nations.

Meanwhile, India's textile exporters are likely to continue to benefit from improved cost competitiveness due to a weak rupee, which would drive volume growth.

Source: fashionatingworld.com- Jan 31, 2019

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Government revises FY18 GDP growth to 7.2% from 6.7% earlier

The CSO has also released the Second Revised Estimates of National Income, Consumption Expenditure, Saving and Capital Formation for 2016-17

The government Thursday revised the economic growth rate upwards to 7.2 per cent for 2017-18 from the 6.7 per cent estimated earlier, mainly driven by performance of farm sector.

"Real GDP or GDP at constant (2011-12) prices for 2017-18 and 2016-17 stand at Rs 131.80 lakh crore and Rs 122.98 lakh crore, respectively, showing growth of 7.2 per cent during 2017-18 and 8.2 per cent during 2016-17 (from earlier estimate of 7.1 per cent)," the CSO said.

For the current fiscal, in May, the CSO in its advance estimate had projected a growth rate of 7.2 per cent. The 2017-18 growth is lowest in four years. The previous low at 6.4 per cent was recorded in 2013-14.

"The First Revised Estimates for 2017-18 have been compiled using industry-wise/institution-wise detailed information instead of using the benchmark-indicator method employed at the time of release of Provisional Estimates on 31st May, 2018," said the Central Statistics Office (CSO).

The CSO has also released the Second Revised Estimates of National Income, Consumption Expenditure, Saving and Capital Formation for 2016-17. The statistics office further said growth in the Gross Value Added (GVA) during 2017-18 was 6.9 per cent, down from 7.9 per cent in the previous fiscal.

During 2017-18, the GVA growth rates of primary (comprising agriculture, forestry, fishing and mining and quarrying), secondary (manufacturing, electricity, gas, water supply and other utility services, and construction) and tertiary (services) sectors have been estimated as 5 per cent, 6 per cent and 8.1 per cent as against a growth of 6.8 per cent, 7.5 per cent and 8.4 per cent, respectively, in the previous year.

As regards the per capita income, the CSO's first revised estimate said it was Rs 1,04,659 and Rs 1,14,958 for 2016-17 and 2017-18, respectively.

Gross Capital Formation (GCF), a barometer of investment activities, at current prices has been estimated at Rs 55.27 lakh crore for 2017-18, compared to Rs 47.41 lakh crore during 2016-17.

Giving reasons for variations in growth figures between provisional estimates (released in May 2018) and first revised estimates of GVA, CSO said it is based on updated figures on new data related to crop production and financial data.

Source: business-standard.com- Jan 31, 2019

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Ikea launches textile collection inspired by India

Swedish home furnishing company Ikea, which opened its first India store in Hyderabad about six months ago, has introduced a textile collection named Änglatarar (angel tears), to celebrate Indo-Swedish design aesthetics and synergies.

The collection was brought together by two in-house designers, Akanksha Deo and Paulin Machado, seeking to represent true collaboration between the two textile-loving countries.

Mia Olsson, Country Communication and Interior Manager, Ikea India said, "The collection is an interesting interplay of both 'cool' and 'earthy' tones such as Indigo and red, against a neutral base of white. The colours have been carefully selected and carry a deeper meaning with both countries' rich heritage and history."

"We have had the privilege of visiting thousands of homes in India and we believe these will look beautiful in every home." she added.

John Achillea, Hyderabad Store Manager, IKEA India said, "Änglatarar is a tribute to India. We have been sourcing textiles from India for over 30 years now and what better way to celebrate our unique and vibrant relationship than offering a completely 'made in India' collection for our customers."

Sunny Jaglan, MD, Sunny International Ltd said, "The collection was made more interesting by the equal involvement of Ikea designers on the factory floor with our co-workers. Their presence made the scenario lively and focused on us."

The Ikea management, which had estimated that about seven million customers would visit its Hyderabad store in the first year, may end up with about 5 million if the pattern of the first six months is anything to go by, according to the Hyderabad store head.

Source: thehindubusinessline.com- Jan 31, 2019

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TN govt, SVPITM organise seminar on technical textiles

Department of Handlooms and Textiles, Government of Tamil Nadu and Sardar Vallabhbhai Patel International School of Textiles and Management (SVPITM) jointly organised a seminar on technical textiles and its opportunities in defense sector at Codissia trade fair complex, Coimbatore on Jan 28, 2019. It was part of the Tex TN, textile product exhibition.

The existing and budding textile entrepreneurs in and around Tamil Nadu were the target audience. A total of 180 existing and budding textile entrepreneurs from in and around Tamil Nadu participated in the event.

The seminar was delivered by two expert speakers namely, Neha Kapil, senior scientific officer, North Indian Textile Research Association (NITRA), Centre of Excellence for Protech, Ghaziabad and Dr. R Indu Shekar, scientist F, Defense Bio Engineering and Electro Medical Laboratory (DEBL), Defense Research and Development Organisation (DRDO), Bangalore.

The topic, 'NITRA Initiative in protective textiles: special attention on riot control body protector' was presented by Kapil where she briefed the participants on the various features that a garment should include so that it can be used as riot control body protectors. She introduced various services offered by NITRA.

The topic, 'Design and development of personal protective clothing, protective systems and life saving equipment for aerospace applications' was presented by Dr. Shekar. During his speech he briefed the participants on the Integrated Life Support System (ILSS).

He also explained the various products that are part of the protective systems for aerospace applications, the various finishes that is essential for the protective garment, uses of phase change materials to counter the fluctuating temperature changes, effect of various hazards if the protection is not sought.

He also discussed the various opportunities present for entrepreneurs with reference to the new developments in textile defence sector.

Source: technicaltextile.net- Jan 31, 2019

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Indian fashion comes of age as growth graph keeps moving north

As per The State of Fashion 2019, a survey issued by McKinsey & Company, a global management consultancy firm, India is likely to become a centrepoint for the fashion industry this year as its strengthening manufacturing sector and burgeoning middle class will create a whole new class of consumers.

India to grow at 8 per cent, inspires global designers

The fastest growing major economy in the world, India is predicted to grow at 8 per cent a year between 2018 and 2022. The middle class will expand by 19.4 per cent a year over the same period, outpacing China, Mexico and Brazil. As a result, India is set to move from being an increasingly important sourcing hub to one of the most attractive consumer markets outside the western world. As McKinsey's FashionScope reveals, India's apparel market will be worth $59.3 billion in 2022, making it the sixth-largest in the world, and comparable to the UK ($65 billion) and Germany ($63 billion).

India continues to inspire Western designers, who pay tribute to the Indian weave which is a unique mix of vivid colors, silks, motifs and silhouettes. International labels like Emilio Pucci, Christian Dior, Missoni and Christian Labotin are mersmerised by the Indian textile production and have reinterpreted India's exquisite repertoire of imagery.

Domestic market offers multiple benefits

As per the The State of Fashion 2019 report, over 300 international fashion brands are expected to open stores in the country in the next two years. Many of these have plansIndian fashion comes of age as growth graph keeps moving north 001 to enter new markets while others plan to expand existing operations.

The report says, the Indian market offers great promise despite structural challenges that include inequality, infrastructure and market fragmentation. There are signs of improvement in terms of infrastructure with luxury malls popping up more frequently.

The supply side of the industry is robust and growth of textile and apparel exports is expected to accelerate. The country is endowed with huge stock of raw material such as cotton wool, silk and jute which enable participation in the entire fashion value chain.

Western brands woo Indian designers

And it is a fact that Western fashion brands woo Indian designers. It started to become a trend when in 2011 with Paco Rabanne asking Manish Arora to be the creative director of a chic women's wear collection based on ancient know-how. Today, there is an extraordinary generation of Indian fashion designers who are pulling those unique inherited techniques into cutting-edge visions of beauty. The Indian fashion scene is vibrant and dynamic.

Given all these considerations, investing in India's expanding apparel market could be a clever move as a burgeoning middle class is keen to demonstrate an unprecedented "desire" to express their identity through fashion.

Source: fashionatingworld.com- Jan 31, 2019

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GST collections top Rs 1 lakh cr in January

GST collections in January crossed Rs 1 lakh crore-mark after a gap of 2 months, the Finance Ministry said Thursday.

"The total gross GST Revenue collected in the month of January, 2019 has today crossed Rs 1 lakh crore. This has been a significant improvement over collection of Rs 94,725 crore during last month and Rs 89,825 crore during the same month last year," the ministry tweeted.

This is the third time in current fiscal that GST collections have crossed the Rs one lakh crore-mark. Previously in April and October, the collections had surpassed this milestone.

"Robust Economy: Gross GST Revenue in Jan 2019 crossed Rs 1 lakh crore... This has been achieved despite huge reduction in tax rates for various items benefitting poor, farmers & middle class," Finance Minister Piyush Goyal tweeted.

GST collection stood at Rs 1.03 lakh crore in April, Rs 94,016 crore in May, Rs 95,610 crore in June, Rs 96,483 crore in July, Rs 93,960 crore in August, Rs 94,442 crore in September, Rs 1,00,710 crore in October, Rs 97,637 crore in November and Rs 94,725 crore in December 2018.

The ministry said the increase in GST mop up in January has been achieved despite various tax relief measures implemented by the GST Council.

In the 10 months (April-January) of the current fiscal, the government has mopped up over Rs 9.71 lakh crore from Goods and Services Tax (GST). The 2018-19 budget had estimated annual GST collection at Rs 13.48 lakh crore, which means a monthly target of Rs 1.12 lakh crore.

The monthly average GST collection in last fiscal (July 2017 - March 2018) was Rs 89,885 crore.

PwC India Partner & Leader, Indirect Tax, Pratik Jain said it comes as a welcome relief for the government, particularly after some dip in the last month.

"This again underlines that collections are increasing steadily as compliances are getting simplified, rates are getting reduced and administration is getting sharper. It's clear that overall collection for the entire year would be significantly lower than what was budgeted," Jain said.

Deloitte India Senior Director M S Mani said: "The collection figures are impressive as they come on the back of rate reductions; if the same pace is maintained, the revenue targets would be close to being achieved."

These numbers indicate that rate reductions result in increased revenues and compliance - we are moving closer to the targeted GST collections for the fiscal, Mani said.

Conventionally, GST collection data for a month is released on first day of the subsequent month. However, for the month of January, the full details of the revenue mopped-up will be released on February 2.

Source: business-standard.com- Jan 31, 2019

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Diamond and textile sectors pin hopes on budget today

Diamond and textile sectors in the city are eagerly waiting for packages for them in the interim Union budget 2019-20 to be presented on Friday.

Gems and Jewellery Export Promotion Council (GJEPC) has sought reduction of import duty on cut and polished gemstones from 7.5% to its earlier level of 2.5% in the interim budget. Also, the GJEPC has sought reduction of import duty on gold from 10% to 4% to allow a level-playing field for Indian gems and jewellery manufacturers to stay in competition with their counterparts in Italy, China and Thailand.

GJEPC regional chairman Dinesh Navadiya said, "The industry is hoping that the Central Government will provide some relief to gems and jewellery sector in the interim budget. We have urged change in income tax regulations to enable foreign mining companies to sell rough diamonds through special notified zone (SNZ). If this is allowed, then we are setting up a SNZ in Surat, which will directly cater to Surat market."

Navadiya added, "We have suggested that the diamond mining companies auctioning their goods at SNZ be allowed for presumptive taxation to increase the ease of doing business in India." The textile sector on the other hand has demanded a slew of demands relating to Goods and Services Tax (GST) and import duty reduction on polyester fibres.

Federation of Indian Art Silk Weaving Industry (FIASWI) chairman Bharat Gandhi said, "The industry has been making continuous representation to central government to allow utilization of input tax credit (ITC) to power loom sector. Tax to the tune of Rs600 crore is lying unutilized in the accounts of the weavers."

Gandhi said, "The man-made fabric industry in India, especially in Surat, is facing a big challenge from import of cheap silk and polyester fabric from China, Vietnam, Bangladesh. There is a demand to exclude Vietnam and Bangladesh from the most favoured nation (MFN) status and impose 10% import duty on their goods."

Source: timesofindia.com- Feb 01, 2019

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Arvind Fashions' True Blue partners with Ministry of Textiles

As per the MOU, True Blue will source handloom products directly from local artisans and weavers, with support from the government. The collection crafted using these products will be retailed as True Blue Handcrafted. These will be specialized products which cannot be replicated by the power looms.

In line with its vision to transform the way the world sees India, True Blue, a joint venture between Arvind Fashions Limited and Sachin Tendulkar signed a memorandum of understanding (MoU) with the Ministry of Textiles to create a new platform for Indian Handlooms by giving them a modern contemporary expression.

As per the MOU, True Blue will source handloom products directly from local artisans and weavers, with support from the government. The collection crafted using these products will be retailed as True Blue Handcrafted. These will be specialized products which cannot be replicated by the power looms.

True Blue Handcrafted collection will be developed by True Blue designers working closely with artisans practicing traditional Indian crafts across the country. This will bring contemporary renditions of traditional Indian crafts into a modern line of garments that the youth of today will desire. True Blue Handcrafted will be available widely through the brand's extensive distribution network and will open new markets and avenues for Indian craftsmen by imparting a new aspirational value to traditional Indian craft.

The effort is expected to protect and revive several Indian crafts from across the country, including those from far flung areas, give them a modern contemporary meaning and make them relevant for the current and future generations. At the same time, the artisan will benefit economically by elimination of middlemen.

Hon'ble Union Minister for Textiles, Smriti Irani said, "Authentic handloom products have a special place in the heart of many Indian and global consumers who wear it with pride. Our partnership with True Blue will allow weavers across India to satiate this demand and make their creations available to the masses.

We are happy to share that True Blue will help the weaver's community earn the much-deserved recognition and economic value for their offerings through a direct procurement channel. The Ministry of Textiles will do its due diligence with the weavers in quality management of the fabrics and adherence to SOPs."

Sachin Tendulkar said, "It's an honor to partner the Ministry of Textiles in this initiative to reinterpret the rich heritage of Indian craftsmanship and showcase it to the world. This would also uplift the lives of handloom weavers.

As a brand, True Blue represents the truest modern Indian who is rooted in Indian values. It is only appropriate that we take the most intricate of Indian craftsmanship under our fold and make them available to the entire market. I am looking forward to wear the pride of Indian artisans and craftsmanship on my sleeve."

Mr. Kulin Lalbhai, Executive Director – Arvind Limited said, "There are over 43 lakh handloom weavers in India and more than 23 lakh handlooms. The Ministry of Textiles is taking efforts for skilling weavers, providing design inputs, best in class raw materials and tools amongst other things. This empowers them so they continue to remain engaged in this craft.

We at Arvind believe that our retail strength and understanding of consumer behavior can make a difference in bringing wide recognition and value to these gifted artisans and craftsmen. True Blue will continue to take all forms of Indian-ness to the world."

Recognizing the contribution of artisans and their unique crafts to the economy and India's cultural heritage, the initiative seeks to empower artisans working in remote areas of the country, by ensuring they get fair value for their produce, generate livelihood opportunities and income for themselves.

Arvind Fashions will identify and empanel quality artisans, liaise with them for samples and production, perform quality checks and manage post-production availability of the retail merchandise at outlets. In parallel, the Ministry of Textiles will ascertain protocols, standards and processes to be adhered by the weavers to ensure timely delivery.

The collaboration enables True Blue to partner with the adept weaver clusters of Kanchivaram from Tamil Nadu, Baluchari and Jamdani from West Bengal, Paithani from Maharashtra, Chanderi and Maheswari from Madhya Pradesh, Muga from Assam, Patola from Gujarat, Kani from Kashmir, Tie & Dye Vichitrapuri and Bomkai from Orissa, Brocades from Varanasi, Balrampuram from Kerala, Pochampally from Andhra Pradesh, etc.

The True Blue Handcrafted merchandise will be available across all True Blue stores starting March 2019.

Source: indiainfoline.com- Jan 30, 2019

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India must join WTO members in e-commerce talks

India will not be able to stop the main trading nations from moving forward with an e-commerce agenda at the WTO. Even if one supported New Delhi's position, it would be better positioned to obstruct if it was sitting at the table rather than sulking on the pavement

In opposing discussions on e-commerce rules at the World Trade Organisation (WTO), India continues a quixotic trade policy that further marginalises it in the international political economy. New Delhi's opposition has accomplished little.

As many as 76 WTO members have decided to separately begin a process that will frame rules governing cross-border e-commerce. Since this group includes the four largest trading nations — the United States, China, the European Union and Japan — as well as nearly half the WTO's membership, the breakaway faction is well on its way to becoming the mainstream.

India wants a 1998 agenda to be the basis of any conversation about e-commerce. The agenda is from an age when the name Amazon was still associated with a South American river. New Delhi's stance is no surprise. It continues to have relatively restrictive policies on foreign multibrand retail.

It has now added a convoluted and protectionist rulebook for its domestic e-commerce market. It would be par for the course for India to try and obstruct any attempted moves towards an international free market for e-commerce.

India's posture will, in time, prove to be the worst of both worlds. India will not be able to stop the main trading nations from moving forward with an e-commerce agenda at the WTO. Even if one supported New Delhi's position, it would be better placed to obstruct if it was sitting at the table rather than sulking on the pavement. Once the other countries set the agenda, India would find itself in the onerous position of having to decide on a set of parameters that it will have no means to modify or dilute.

There is a larger concern here. The WTO is under unprecedented pressure. China has been undermining it for years through chronic rule-breaking. The United States has now joined in, arguing the body is out of touch with economic reality and sabotaging its dispute settlement system.

The WTO's "one nation, one vote" system gives India far more clout than its one per cent share of global trade would merit. But by declining to be part of the WTO reform process, New Delhi only helps hasten the body's irrelevance. The various panels currently constituted to review India's trade policy should take this larger issue on board.

They should also make the case for India to use WTO norms to hasten liberalisation at home. The official mindset is that India cannot compete globally.

That this malaise now afflicts New Delhi's thinking about e-commerce, a mix of information technology and services, will guarantee India becoming marginal even in sectors it believed it was globally competitive.

Source: hindustantimes.com- Jan 31, 2019

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India has an opportunity to grow amid US-China trade war: BK Goenka, Welspun Group

BK Goenka, Chairman Welspun Group & President ASSOCHAM, during an interview with Swati Khandelwal, Zee Business, said India can grow by 8-9 per cent if a stable government comes to power after the election is over.

Q: India is being considered as a bright spot at World Economic Forum (WEF) and several people want to bet on India but need a stable policy for it. Do you think that we are ready to attract those investments from foreign companies?

A: India is the fastest growing economy and is growing at a rate of about 7.5 per cent at present. And, India has an opportunity to grow its economy amid the ongoing trade war between the US and China. Post-election, if we have a stable government and policy than we will have a chance to grow the economy at the rate of 8-9 per cent.

The forum is talking about China, the US, sustainability, digital platform and the way in which whole technology is moving across the world and I feel India is positioned well on the three things. If we talk about sustainability, then we have progressed in solar and renewable power and hope that we can progress more on the subject. Similarly, India has an opportunity to utilise the trade issue between China and the US to propel its growth.

Q: At the time when the interim budget is around the corner, I will like to know about India Inc. expectations from it.

A: It is a difficult task to talk about the budget as it is going to be a vote on account and that's why I don't feel that it is going to be a detailed budget.

Q: Do you think that it is a right time when RBI should announce a rate cut in upcoming policy, if yes, then to what levels?
A: I feel, it should go for a rate cut at least when inflation is under a control. I as an ASSSOCHAM President and other bodies of the industry has met the governor last to last week on the issue. I feel that a rate cut will be announced as the overall situation is quite conducive at present.

Q: What are Welspun Group's projection and plans for this year and next year? Have you met the target of the year and what are your expectation on the bottom line and top line?

A: We are into different verticals like textiles, pipes, and infrastructure, and we have grown by at least 10-25 per cent in every vertical. Our textile business will report a double-digit growth of about 10 per cent and the pipe business will grow by around 15 per cent. Infrastructure was a new addition to our business and it will report good growth, which can be double to the growth that it achieved in the last financial year.

Q: Provide your outlook and targets for the next financial year?

A: I am sure that we will get a stable government after the elections are over as it will bring supporting policies. It will be beneficial for the industry. We have a special focus on infrastructure and hope that we will be able to maintain the growth that we have achieved in this financial year.

Source: zeebiz.com- Jan 31, 2019

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