TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 45 of 2019 March 01, 2019

USD 70.82| EUR 80.54 | GBP 93.92 | JPY 0.63

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
20048	41900	**75.31**

Domestic Futures Price (Ex. Warehouse Rajkot), March

Rs./Bale	Rs./Candy	USD Cent/lb
20450	42741	**76.82**

International Futures Price

NY ICE USD Cents/lb (May 2019)	72.82
ZCE Cotton: Yuan/MT (May 2019)	15,230
ZCE Cotton: USD Cents/lb	103.20
Cotlook A Index – Physical	**80.35**

Cotton Guide: The ICE futures immediately rose after the announcement of the Export sales figures. For the week ended February 21, US export sales of upland cotton for the 2018/2019 marketing year rose by 85,500 running bales and 12,100 running bales (RB) for 2019/2020.

The ICE may futures jumped by +46 points thus settling at 72.82 cents/lb. The High and low figure for the ICE May futures were 73.13 and 72.05 cents/lb respectively. The other nearby futures also showed an escalation with the ICE July contract showing a positive change of +41 points thus settling at 73.99 cents/lb. The total volume on the hand increased to 22,513 as compared to the previous figure of 16,811 contracts. Today is the fifth notice day for the March 2019 contract and no notices were issued, leaving the total at 44. The interest in the soon to be expiring month was last reported at 95 contracts, which was down by 96 from the previous session.

The total open interest increased by 539 contracts to 220,874. The open interest for May was seen to have a decline by 69 contracts to 121,361, on the other hand the July open interest escalated to 448 to 42,291.

The CFTC On-Call Cotton report for the week ended February 15 emitted a decline of on-call sales. Total on-call sales were reported at 96,450 contracts, a decline of 10,076 contracts on the week. March 2019 unfixed on-call sales dropped by 8,590 contracts to 4,193. May 2019 and July 2019 unfixed on-call sales also decreased by 1,214 and 2,594 contracts, respectively, to 21,045 and 28,740. The forward December 2019 contract rose by 1,934 contracts to 22,213. Unfixed on-call sales for 2018/19 amounted to 76,191 contracts, as compared to the previous figure of 105,935 contracts in the yesteryear.

The MCX contracts on the other hand settled on the downside by (-30) Rs for the March and the April contracts. The MCX March contract settled at 20,450 Rs/Bale displaying a high figure of 20,560 and a low figure of 20,390. The April contract settled at 20,730 Rs/Bale. The total volume increased by 98 lots at 3812 lots as compared to the previous figure of 3714 lots.

The arrivals in India are estimated to be around 133,500 lint equivalent bales (source cotlook), including 41,000 registered in Maharashtra, 38,000 in Gujarat, 26,000 in Andhra Pradesh. The average prices of Shankar 6 were around 41,900 Rs/Candy. The Cotlook Index A has been positively adjusted to 80.35 cents/lb that amounts to a change of 0.25 cents/lb. We expect the market to show a sideways trend with a bias towards the downside based on fundamentals.

On the technical front ICE cotton May futures took support from the lower band of the upwards sloping channel near 72 zones and moved towards the 13 day EMA 72.70. Positive divergence between price and the strength indicator (RSI) restricted the downside in price. RSI in the daily charts is hovering around 45 levels suggesting sideways trend for the day. So for the day price is expected to remain in the range of 71.80-73.84 with sideways to positive bias. In the near term strong supports exists around 70.00, followed by 69.50 levels. Likewise crucial resistance seen around 74.40 and 75.68 levels. In the domestic markets trading range for Mar futures contract will be 20400-20750 Rs/Bale.

Currency Guide

Indian rupee may witness mixed trade against the US dollar however general bias remains weak. Rupee appreciated by 0.7% yesterday as lack of further escalation and reports of release of Indian air force pilot thawed concerns about India-Pakistan fight. However, weighing on rupee is disappointing GDP growth data, higher crude oil price and global economic concerns. GDP rose 6.6% in the three months to December from a year ago, lower than market expectations of 6.7% growth and down from a 7% growth in previous quarter. Brent crude has rescaled $66 per barrel as OPEC indicated it will extend production cuts despite US displeasure with higher price. Asian equity markets are on a stronger footing today amid slightly better than expected Chinese data and reports that MSCI Inc. will boost the weight of Chinese stocks in its global benchmarks. However, weighing on market sentiment is increased geopolitical tensions post breakdown in US-North Korea talks and mixed cues about US-China trade deal. On trade front, latest reports noted that US officials are preparing a final trade deal that President Donald Trump and his Chinese counterpart Xi Jinping could sign in weeks. However, comments from US officials also indicated that more work needs to be done. The US dollar has inched up marginally amid better than expected GDP data. Rupee has stabilized on easing risks of further escalation in India-Pakistan tensions however higher crude oil price and choppiness in equity markets will limit upside. USDINR may trade in a range of 70.55-71.1 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

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	China Trade War Cost Tops $40 Billion in U.S. Exports
2	Nike named most valuable apparel brand
3	Turkey's trade gap narrows to $2.5B in January on exports surge
4	Malaysia is looking forward enhancing textile exports to the US
5	Azerbaijan to export cotton yarn to another European country
6	Vietnam seen as potential market in CPTPP by Mexico
7	Bangladesh reserves 3 SEZs for Indian enterprises
8	Bangladesh: Coats focuses on tech use in apparel

NATIONAL NEWS	
1	Increasing exports can lead to better jobs, higher wages in India: World Bank-ILO report
2	Union Minister Smriti Irani launches scheme for development of knitwear sector
3	Textile minister hints at having knitwear quality mark soon
4	Growth slips: Slowdown in farm, manufacturing push India’s GDP growth down to 6.6%
5	Exports from India to Qatar to rise further in 2019
6	Exports to Pakistan via rail stuck
7	India, Latin American nations have huge potential to boost trade ties: Commerce Min India, LatAm nations see scope for ties
8	MSME meet in Chennai on March 4-5
9	Exporters can now raise trade disputes using online portal
10	Gopalpur Port’s capacity to be enhanced to 55 million tonne by 2025

INTERNATIONAL NEWS

China Trade War Cost Tops $40 Billion in U.S. Exports

Chinese retaliation against President Donald Trump's tariffs is hitting U.S. exporters harder than their Chinese counterparts and costing the U.S. the equivalent of about $40 billion a year in lost exports, according to a new study that highlights the mounting costs to the U.S. economy of the trade war against China.

U.S. tariffs imposed last year on some $250 billion in imports from China slowed shipments of the targeted products to U.S. shores, according to findings from the Institute of International Finance published earlier this year. Now, a new IIF study of China's retaliation has found that counter-tariffs had a far more severe impact on U.S. exports, leading to a collapse in many of the roughly 900 categories of targeted American products.

That slump came at a real cost to the U.S. economy. In calculations done for Bloomberg the IIF economists found that between July and November of last year, the value of lost exports topped $17 billion, according to Sergi Lanau, the IIF's deputy chief economist. That's an annualized hit of about $40 billion, or almost a third of the record $130 billion the U.S. exported to China in 2017.

Official statistics have already documented a steep fall in U.S. exports to China. In November last year, the most recent month for which data is available, the U.S. exported $8.7 billion in goods to China, according to official data. That was down $4.1 billion from the same month in 2017.

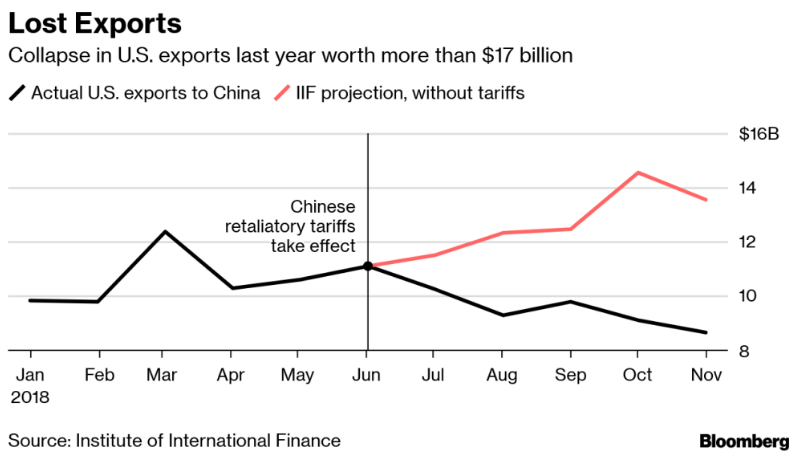
But the IIF calculations shared with Bloomberg go further. They are based on the gap between the value of actual U.S. exports to China and the group's forecast of what exports to China would have been had the tariffs not taken effect. It is thus an attempt to determine an accurate cost of the lost exports.

Other groups have gathered evidence of the direct cost of U.S. tariffs. Tariffs Hurt the Heartland, an umbrella group for industries opposed to the tariffs, calculates that the Trump administration's tariffs so far have cost U.S. importers, which pay the duties, more than $18 billion, a figure growing at a rate of more than $1,000 a second.

The collapse in U.S. exports to China highlights the mounting economic cost of the trade war and one big reason why Trump has been increasingly eager to strike a deal with China as he gears for his re-election campaign next year.

While Trump has focused on the cost to the Chinese economy as a sign of the leverage the tariffs have given him in negotiations the reality is that both the U.S. tariffs and the Chinese retaliation have also hurt the U.S. economy and generated a political backlash. Any deal he strikes, however, is also likely to invite intense scrutiny and he and his aides are already facing questions over whether the lost exports and other economic costs are going to be worth it.

At a hearing on Wednesday, U.S. Trade Representative Robert Lighthizer faced a barrage of questions from lawmakers dealing with their own litany of complaints from constituents affected by either U.S. tariffs on Chinese imports or China's retaliatory measures.



"Whatever your intentions were I have to tell you the evidence on the ground is really grim," Florida Democrat Stephanie Murphy told Lighthizer. "I've had small business owners in my community, in central Florida, break down when they talk to me about the impact that tariffs are having on the companies that they have spent a lifetime building."

In his responses, Lighthizer answered that he had sympathy for companies and farmers affected by the tariffs and said he hoped that if a deal with China was reached the retaliatory tariffs would come off.

He also said that new Chinese purchases negotiated as part of the deal would help make up the cost of lost exports, particularly for farmers. "It's a very real thing that the president's worried about.

Obviously when you get into a situation where you're trying to bring change about, it's going to have costs," Lighthizer said.

"Our hope is that if you increase those agriculture sales and you do it for a period of years, you will create new customers that will have results that go on years and years and years and years into the future."

Source: sourcingjournal.com- Feb 28, 2019

HOME

****

Nike named most valuable apparel brand

Nike has been ranked by Brand Finance as the most valuable apparel brand in the world this year. The US sportswear label's dominance in the rankings has been cemented over the course of the last year through a high-impact marketing strategy responsible for the likes of the brand's controversial Dream Crazy ad featuring Colin Kaepernick. The repercussions of this campaign made front-page news as some US fans reacted negatively to the move but the weekend following the ad's launch saw Nike's sales soar.

Brand Finance is a brand valuation and strategy consultant. In second place in the consultancy's ranking is Spanish fast-fashion retailer Zara. Zara supplants H&M which has seen a 16 per cent decrease in its brand value since last year and has now fallen to fourth place. Zara's integrated store and e-commerce model has helped the brand gain access to 106 new national markets, while H&M has continued to struggle with increasing levels of unsold inventory.

In third place this year is Nike's rival, German sportswear label Adidas. The European label also took a chunk out of Nike's North American market but, given the current distance between the two brands' values, its US-based competitor seems fairly secure in its leadership.

Other big winners in this year's top ten include Cartier, shooting into fifth place, and Louis Vuitton, which held onto sixth place.

Source: fashionatingworld.com- Feb 28, 2019

HOME

****

Turkey's trade gap narrows to $2.5B in January on exports surge

Turkey's foreign trade gap in 2018 narrowed 72.5 percent year-on-year to stand at $2.5 billion in January, the Turkish Statistical Institute (TurkStat) announced on Thursday.

Turkish exports rose 5.9 percent on a yearly basis to hit $13.2 billion, as imports dropped to $15.7 billion, indicating a decrease of 27.2 percent, official figures showed. The exports-to-imports coverage ratio was 84 percent last month, up from 60.1 percent in January 2018. In 2018, Turkey's exports were $168 billion and imports $223 billion, creating a $55 billion foreign trade gap.

Top trade partner: EU

Turkey's exports to EU — making up over 50 percent of the country's exports — rose 4 percent year-on-year to total $6.8 billion last month. Exports to Asian and African countries were $3.2 billion and $1.2 billion, respectively, in January. Meanwhile, Germany was Turkey's top export market, with some $1.3 billion worth of exports. It was followed by the U.K. with $937 million, Italy with $783 million, and Iraq with $630 million. Russia took the biggest share of imports to Turkey last month, with almost $1.7 billion.

Source: dailysabah.com- Feb 28, 2019

HOME

****

Malaysia is looking forward enhancing textile exports to the US

Malaysia is seeing a huge potential of enhancing textile exports to the US because of ongoing trade war between the US and China, One of the buyers, at the recently concluded Heimtextil Trade Show, said if US firms decide to quit China, Malaysia could be ideal replacement mainly owing to latter's superior textile quality.

He added that many US buyers are now becoming aware of this unbalanced dependence on China, besides a lot of overseas importers have often faced quality concerns with Chinese products.

Another participant, Nature World Manufacturing Sdn Bhd, too received good inquiries. The company manufactures home textile products. The event witnessed good participation from Asean countries, including eight from Indonesia, three from Malaysia and eight from Vietnam.

Olaf Schmidt, Vice President, Textiles and Textile Technologies, Messe Frankfurt expressed delight at ASEAN region's potential and said that soon countries like Vietnam, Malaysia and Bangladesh would become key players in the global textile supply chain.

Source: textilefocus.com- Feb 27, 2019

HOME

****

Azerbaijan to export cotton yarn to another European country

In the coming days, the Gilan Textile Park company will begin to export its first batch of yarn to Portugal, the company told Trend.

According to the source, the primary shipments there are expected to be in small quantities. "Currently, the company is negotiating with European partners on the export of finished products. progress is also expected in this direction," the company said.

The company products are environmentally friendly and meet international quality standards. Based on its production potential, Gilan Textile Park is considered to be one of the largest processing enterprises not only of Azerbaijan, but also of the whole region.

Gilan Textile Park uses cotton grown in Azerbaijan as a raw material for the manufacture of various products, and provides great support for the development of industry and agriculture in the country.

Weaving, dyeing and sewing factories operate in the base of the Gilan Textile Park, commissioned in 2012 in Sumgayit. Gilan Textile Park produces products of high quality cotton meeting European standarts. The base of the enterprise includes Weaving factory, Paint and Sewing factory.

Currently, in Textile Stock Gilan bedroom garments and also uniforms for different destination are produced. No chemical products harming health of the human are used in production.

There is a rich tradition and great potential for the development of cotton growing in Azerbaijan. Year 2016 was a turning point from the perspective of cotton-growing in the country.

In early 2017, the State Program for 2017-2022 was approved with an aim of strengthening measures directed at developing this sphere. The purpose of the State Program is to develop cotton growing, increase export potential in this sphere, ensure employment of the rural population and increase the production of cotton.

The new goal of the state is to bring the cotton production up to 500,000 tons by 2022 from the current 260,000 tons.

Statistics says that Azerbaijan exported cotton fiber worth $80.5 million (an increase of 49 percent) and cotton wool yarn worth $24 million in 2018. Compared to 2017, exports of cotton yarn increased by 2.4 times.

Source: today.az - Feb 28, 2019

HOME

****

Vietnam seen as potential market in CPTPP by Mexico

Vietnam is seen as a potential market by Mexico among members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Officials and business leaders expressed this at a workshop on investment and trade opportunities in CPTPP held by the secretariat of economy and the Business Council for Foreign Trade (COMCE) of Mexico recently.

According to Sergio Ley, president of the Asia-Pacific Directorate at COMCE, Mexico's exports to Vietnam, particularly the shipment of agricultural products, will rise through CPTPP. Vietnam will also serve as the gate for Mexico's goods to access the markets in other ASEAN countries, he said.

CPTPP will bring about a 6.7 per cent increase in the country's exports, with beneficiary sectors including automobile, machinery, leather products, beef, processed food and fruit and vegetables, a Vietnamese news agency reported citing the Mexican secretariat of economy.

Mexico will, however, face competition from Malaysia and Vietnam in the fields of textile-garments and leather-footwear.

Statistics show Mexico's exports to CPTPP nations are growing at double the rate in other markets, reaching $3.26 billion in 2017.

Source: fibre2fashion.com- Mar 01, 2019

HOME

****

Bangladesh reserves 3 SEZs for Indian enterprises

Bangladesh has exclusively reserved three special economic zones (SEZs) for Indian firms to set up businesses, high commissioner of Bangladesh to India Syed Muazzem Ali recently said at a meeting organised by the Southern India Chamber of Commerce and Industry (SICCI) in Chennai.

India has recently invested $5 billion there for economic and technical development.

Though factors like non-availability of soft loans and a cumbersome process to select developers slowed down the progress of Bangladesh setting up country specific economic zones, a considerable increase in foreign investment in the past year will boost this initiative now, a report in a top South Indian newspaper quoted the ambassador as saying.

Setting up a deputy high commission in Chennai is getting delayed as Bangladesh is awaiting clearance from the Indian ministry of external affairs, added Ali.

Source: fibre2fashion.com- Mar 01, 2019

HOME

****

Bangladesh: Coats focuses on tech use in apparel

Coats Global Services (CGS), which provides software solutions to apparel and footwear supply chains, yesterday concluded the first edition of a series of events aimed at initiating a discussion on the value of technology for the apparel manufacturing space.

The daylong Apparel Tech Up, taking place in Dhaka on Tuesday and in Chattogram yesterday, received "huge response" from stakeholders of the RMG industry, says a statement.

Top garment makers were present during keynote speeches from international members of the CGS. In Dhaka, David Berry, director for sales and marketing for GSD, a part of the CGS, talked about the vision of the CGS for the upcoming year. He elaborated on the intent of the CGS to be a complete end-to-end manufacturing supply excellence solution provider.

"We, at CGS, completely understand the power of data and analytics powering manufacturing businesses," said Anas Shakil, director for manufacturing excellence at ThreadSol, another part of the CGS.

"The focus needs to be on assessing and driving value through data, rather than just accumulating vast oceans of data. We need to create a platform that brings it all together intelligently," he added.

The event in Dhaka concluded with a panel discussion where Tram Anh Tran, managing director of Coats Bangladesh, was present. The panel discussed the current challenges and opportunities for RMG manufacturers in terms of data.

Source: thedailystar.net- Mar 01, 2019

HOME

****

NATIONAL NEWS

Increasing exports can lead to better jobs, higher wages in India: World Bank-ILO report

Increasing exports would boost the average wages, according to the report titled 'Exports to Jobs: Boosting the Gains from Trade in South Asia'.

Increasing exports can lead to better jobs and higher wages in India, including more formal sector employment for youth and women, the World Bank said in a report released Thursday.

Labour market policies can help different groups of workers acquire the right skills and ensure that the gains of increased exports are shared more broadly across society, said the report jointly released by the World Bank and the International Labour Organization (ILO).

Increasing exports would boost the average wages, according to the report titled 'Exports to Jobs: Boosting the Gains from Trade in South Asia'.

The biggest beneficiaries of the wage gains would be the high-skilled, urban, more experienced, and mainly male workers. For low-skilled workers, the shift would result in an increase in formal jobs, it said.

"Our research shows that exports can improve the performance of local labour markets and that policies need to be put in place to increase exports in South Asia, while ensuring that the benefits of higher exports are shared more broadly," said Gladys Lopez-Acevedo, World Bank Lead Economist and one of the report's authors.

Addressing constraints that prevent people from moving and taking advantage of new job opportunities is important, Lopez-Acevedo said.

India grew at a rate of 7.2 per cent in 2017, at the same time reducing the number of people living in poverty.

However, most Indians do not have regular jobs in the formal economy and differences in wages across regions and in the quality of employment opportunities prevail. The increasing population also puts pressure on labour markets, said the joint study.

In addition, trade has been falling, from 55.8 per cent to 41.1 per cent of the Gross Domestic Product between 2012 and 2017.

India's exports are mainly capital-intensive goods such as chemicals and fabricated metals, meaning that the direct benefits for workers have been limited, it said.

With the right policies, India can ensure that greater export orientation can boost workers' gains from trade and spread them more widely, so benefiting disadvantaged groups, the report said.

"Economists and policy makers need a better understanding of how exactly globalisation affects both workers and national labour markets," said Daniel Samaan, Senior Economist, ILO Research Department and one of the report's authors.

"Our research shows that more exports can create benefits for workers by raising wages and reducing informality, but we need stronger policies to ensure these benefits reach everyone in the labour market, and don't leave any groups behind," he added.

Source: economictimes.com- Feb 28, 2019

HOME

****

Union Minister Smriti Irani launches scheme for development of knitwear sector

Union Minister Smriti Irani Thursday launched a scheme for development of knitting and knitwear sector under PowerTex India, which will be in operation upto March 31, 2020.

"The Ministry has approved combined SFC (Standing Finance Component) of PowerTex India Scheme and Knitwear Scheme with an outlay of Rs 487.07 crore.

"Out of this Rs 439.35 crore is for PowerTex for three years from April 1, 2017 to March 31, 2020 and Rs 47.72 crore for knitwear for the remaining period of 2018-19 and for 2019-20," an official statement said.

The scheme envisages creation of new service centres on public private partnership (PPP) model by industry and association in the knitting and knitwear clusters.

It also entails modernisation and upgradation of existing power loom service centres and institution run by Textile Research Associations and Export Promotion Councils Association in knitting and knitwear clusters.

"It is important to highlight that 27 per cent of India's total cloth production comes from the knitwear industry and knitwear presently comprises 15 per cent of the total apparel exports. Therefore we are making an effort to strengthen this huge industry segment in a comprehensive manner through the scheme," Irani said at the launch of the scheme.

She assured to look into the demand for creation of a "Knitwear Mark" to give quality assurance to the customers.

Some of the major clusters in the knitted garment sector are Tirupur in Tamil Nadu, Ludhiana in Punjab, Kanpur in Uttar Pradesh and Kolkata in West Bengal.

Tirupur is the most important export cluster, followed by Ludhiana.

Irani also launched five short term courses at NIFT Panchkula in Haryana through video link.

The proposed one-year certificate programmes at the institute are Fashion Clothing & Technology; Design Development for Indian Ethnic Wear; Fashion & Media Communication; Textile for Interiors & Fashion; Fashion Knitwear Production and Technology.

The permanent campus building is under construction and is expected to be completed by June, 2020. Till the completion of the permanent campus, the institute will be run from a temporary campus in polytechnic-cum multi skill training centre in Panchkula's Sector 26.

The campus is being set up with the support of Department of Technical Education of Haryana.

Irani urged the NIFT administration to conceive special projects to study the impact of Surajkund craft mela and made up industry in Haryana.

She expressed hope that the students joining the new campus will not only be able to learn technology, but also understand the process of entrepreneurship.

The Textile Minister thanked the Haryana government for providing land and infrastructure support.

Source: business-standard.com- Feb 28, 2019

HOME

****

Textile minister hints at having knitwear quality mark soon

The Ministry of Textiles launched a comprehensive scheme for development of knitting and knitwear sector under the “PowerTex India” and Union Minister of Textiles Smriti Zubin Irani connected through video conferencing.

The main event was organised at India Habitat Center, New Delhi, and streamed live in Ludhiana (Punjab), Tirupur (Tamil Nadu) and Kolkata (West Bengal) today. Special secretary textiles and textile commissioner were also present on the occasion.

Regional Office of the Textile Commissioner, Amritsar, was also connected for creating awareness and dissemination of the schemes under “PowerTex India” for knitting and knitwear sector among entrepreneurs and stakeholders of Ludhiana cluster.

The Union Minister launched the scheme by releasing a booklet and screening a film for development of knitting and knitwear sector. Component of the schemes were group workshed, yarn bank, common facility centre, solar energy scheme and “Mudra yojana,” among others. The scheme would be in operation up to March 31, 2020.

Irani agreed to the need to have a knitwear quality mark. She also assured to join the concept of Knitwear University with the existing “Samarth scheme” of the Ministry of Textiles.

Mahesh Khanna, General Manager, DIC Ludhiana; AK Dhawan, Assistant Director, Textile Committee, Ludhiana; Vinod Thapar, president, Knitwear and Textile Club, Ludhiana; and Vineet Gupta, general secretary, Rahon Road Textile Association, Ludhiana, among others also participated in the event.

Fact file

- The main event was organised at India Habitat Center, New Delhi, and the Union Minister interacted with industrialists through video conferencing in Ludhiana (Punjab), Tirupur (Tamil Nadu) and Kolkata (West Bengal) on Thursday.

- Irani agreed to the need to have a knitwear quality mark. She said the concept of Knitwear University would be joined with the existing "Samarth Scheme" of the Ministry of Textiles.

Source: tribuneindia.com- Feb 28, 2019

HOME

****

Growth slips: Slowdown in farm, manufacturing push India's GDP growth down to 6.6%

With manufacturing, agriculture and small services faltering and government spending slowing, India's gross domestic product (GDP) grew at a five-quarter low rate of 6.6% in the September-December period (Q3) of the current fiscal, official data revealed on Thursday.

The Central Statistics Office (CSO) also revised down the growth rates for Q1 (from 8.2% to 8%) and Q2 (from 7.1% to 7%) and also that for the full fiscal year to 7% — a five-year trough — from 7.2% in the first advance estimate released in January.

While the fall in growth rates, given a loss of momentum observed since Q2, including in the high-frequency data available for post-Q3 period (eight core infrastructure industries growth declined to a 19-month low at 1.8% in January and services PMI fell for the second straight month), economists predicted the growth to be more anaemic in Q4 at 6.1-6.4%, with a recovery to be expected in Q1 next year or thereafter.

The upward revision in nominal GDP for FY19 to Rs 190.54 lakh crore in the second advance estimate from Rs 188.41 lakh crore announced in the first advance estimate would contain FY19 fiscal deficit at 3.3% of GDP, the original target, against the revised estimate of 3.4%, if other budget numbers hold good.

Along with the change in growth rates, the CSO also undertook significant revisions of the relative strengths of the various components of the economy.

For instance, while the annual growth in private consumption expenditure was earlier stated to have slowed from 8.6% in Q1 to 7% in Q2, as per Thursday's data, this largest pillar of the economy expanded from 6.9% in Q1 to 9.8% in Q2 and then slowed to 8.4% in Q3.

Also, fixed investment, which was assumed to have picked up and grown at 12.5% in Q2 from 10% in the previous quarter, is now seen to have slowed from Q4 last year (14.4%) to Q2 (10.2%) before recording a mild recovery in Q3 (10.6%).

Gross value added grew just 6.3% in the third quarter, against 6.8% in the previous quarter. However, growth in financial services accelerated for a third straight quarter, from just 5% in Q4FY18 to 7.3% in the December quarter. Net exports continue to remain a drag on the GDP, although its impact has eased a tad in the third quarter.

A pick-up is visible in the construction sector. In the near term, a moderate boost to consumption due to the Rs 20,000 crore income-support scheme for farmers and some direct (IT reliefs announced in Budget) and indirect tax (GST cuts for housing) reliefs is seen to be a positive for growth along with the 0.25% cut in the repo rate by the RBI in the policy review earlier this month.

Also, the fact that capacity utilisation in many firms has reached the 80% threshold where they typically start fresh investments also bodes well for the economy.

A slowing of overall government spending (Centre's capex in April-January this year was down 13% from a year ago; farm loan waivers may hit the state's ability to keep capex at budgeted levels; PSUs' ability to prop up investment demand has got reduced too) is however a potential dampener.

Aurodeep Nandi, India economist at Nomura, said the lower growth rate essentially shows the cyclical slowdown entrenching itself. “Going ahead we do expect further moderation on tighter financial conditions, weaker global demand and political uncertainty.”

Source: financialexpress.com- Mar 01, 2019

HOME

****

Exports from India to Qatar to rise further in 2019

The export from India to Qatar has risen by more than 80 percent in 2017-18 and is expected to rise further in 2018-2019, said P. Kumaran, Ambassador of India to Qatar.

The Ambassador was speaking at a roadshow titled ‘Vibrant Terry Towel 2019’ held in Doha to promote the ‘Vibrant Terry Towel Global Expo and Summit 2019 (VTGES 2019)’.

He also laid strong emphasis on the key factors that are driving India as a business and investment destination, along with the opportunities emerging in Qatar. The textile sector of India is the second biggest employer after the agriculture sector, said the Ambassador.

The Textile Development Foundation (TDF), a leading not-for-profit association works for hundreds of small decentralised terry towel and textile units located in Solapur, Maharashtra.

In association with Global Network, an international trade advisory firm based in Ahmedabad, Gujarat, they had organised the Roadshow in Doha in collaboration with the Indian Business & Professionals Council, Qatar (IBPC), which was attended by around 50 people from this sector.

The Roadshow was held to promote and highlight the salient features of the VTT GES 2019 which will be a first of its kind event focused on the towel industry in India.

The event, scheduled to be held in Solapur, from September 25 to 27, 2019, will bring customers, towel manufacturers, importers, exporters, technologists and traders together on a common platform to discuss, share, debate and celebrate the best practices of the towels industry.

Source: thepeninsulaqatar.com- Feb 27, 2019

HOME

****

Exports to Pakistan via rail stuck

Exporters clueless about resumption of trade

The strained India-Pakistan relations post-Pulwama attack has affected the exports of goods such as chemicals, dyes, agricultural machinery and yarn from India to Pakistan through Amritsar rail route.

According to railway officials, around 42 wagons loaded with goods are stranded at Amritsar railway goods shed since February 21.

One train wagon carries 60 metric tonnes of load. “Initially, we had 36 wagons loaded with chemicals, dyes, yarns, seeds and agricultural machinery for export to Pakistan. Out of these, 19 wagons were exported to Pakistan on February 21.

Currently, 42 wagons laden with different commodities are awaiting nod to be exported to Pakistan,” said a railway official handling the exports, requesting anonymity. “We don’t know when it will be exported to Pakistan,” he said.

India exports chemicals, crude drugs, spices, dyes and agriculture machinery to Pakistan through rail route. Exporters from across Punjab and other states export these commodities to Pakistan though rail cargo. From Pakistan, leather products, iron parts, electrical goods, threads and cement are imported. However, ever since the Centre withdrew the most-favoured nation (MFN) status to Pakistan, no goods train has arrived from Pakistan, the railway official said.

On February 15, India had withdrawn MFN status to Pakistan after the Pulwama attack. After this, customs duty on all goods exported from Pakistan to India was also raised to 200% with immediate effect.

The move is likely to hit Pakistan's exports to India, which were $381 million in the April-November period as compared to $489 million in the whole FY18. Indo-Pak trade takes place through two routes — Attari-Wagah land route (road and rail) and the Mumbai-Karachi sea route. Besides this, barter trade is also carried out through J&K from two locations.

"We don't know when our straw reapers (agriculture machinery) will be exported to Pakistan. We have an order book of around 400 machines and as per the agreement we have to supply the machines by March this year," said Jagatjit Singh, managing director, Saron Mechanical Works (Punjab). The export of agricultural machinery through road route is not allowed.

The imposed tariff of 200% is higher than India's average rate which is 113.5% for agricultural products and 34.6% for non-farm goods. The MFN-applied rates are 32.8% and 10.7%, respectively, for farm and non-farm products. According to exporters, the trade of agricultural machinery between the two countries has a huge potential. India exports agricultural machines such as combine harvester, straw reaper and thresher.

The Rail Cargo complex at Amritsar railway station is a rail link between India and Pakistan for import and export of goods. It came into existence in 1951.

Source: tribuneindia.com- Mar 01, 2019

HOME

****

India, Latin American nations have huge potential to boost trade ties: Commerce Min India, LatAm nations see scope for ties

India and countries of the Latin American and the Caribbean region have huge potential to boost economic ties in areas like agriculture, health, energy and information technology, the Commerce Ministry said on Thursday.

Quoting Commerce and Industry Minister Suresh Prabhu who addressed diplomats of the Latin America and Caribbean (LAC) Strategic Economic Cooperation here Wednesday, it said there is a need for a multi-pronged strategy to enhance bilateral trade in merchandise and services.

The Ministry said Indian companies could form joint venture projects for cultivation of lentils, oil-seeds and food grains, which are crucial import items, besides conducting joint research in dairy farming, seeds and pulses.

Source: thehindubusinessline.com- Feb 28, 2019

HOME

****

MSME meet in Chennai on March 4-5

MSME Development Institute, Chennai, a division of Union Micro Small and Medium Enterprises (MSMEs) Ministry, will organise a two-day trade fair, ‘Udyam Samaagam’, at the Institute’s campus here on March 4 and 5.

The trade fair, themed ‘General Engineering & Auto component manufacturing sector’ will focus on showcasing the strength of MSMEs in these sectors and will enhance their marketing avenues.

The other objective of the two-day event is to bring MSMEs, Central and State public sector undertakings (PSUs), original equipment manufacturers (OEMs) and other stakeholders on a common platform.

The event will also create awareness about various State and Central government schemes to the participating units, besides disseminating information on export/import (exim) polices of the government.

Over 100 existing micro & small enterprises (MSEs) will exhibit their products and more than 15 Central PSUs and research institutes will participate in the programme.

The event will also see a national workshop on exim policy and procedures of the government of India.

Source: thehindubusinessline.com- Feb 28, 2019

HOME

****

Exporters can now raise trade disputes using online portal

A ceramic firm from Morbi had to run from pillar to post after a Sri Lankan buyer did not pay up his due of $1.50 lakh for a long time. Vexed with all the running around, the firm finally made a settlement for a much lesser amount. This firm is not the only one which was subject to harassment.

Keeping importers' and exporters' trade-related harassment in mind, the Director General of Foreign Trade (DGFT) initiated a novel step to help ameliorate Indian traders from such hapless situation.

The DGFT instituted an online portal on Febraury 11 where such traders can raise their disputes online. This portal will also provide facility to foreign citizens to raise their disputes regarding Indian exporters or importers.

The DGFT's initiative will benefit even the small -scale industry exporters from Saurashtra. Aggrieved traders should log in to the portal's 'trade grievances' option and fill an online form. Thereafter, they will need to upload all related documents in PDF format within the 5MB limit.

After submission of application, they will get a Unique Reference Number (URN) which will be used in all future correspondence by the trader. The system will also give the traders status update of their complaints.

"Two kinds of disputes are raised — one, where an exporter has not received money from his buyer; the other is when exported or imported goods are rejected on basis of inferior quality," said a DGFT official. He said that once a complaint of dispute is generated, it will go to the Indian embassy of the respective country, which will follow it up with the local government and also the local chamber of commerce there.

The traders earlier had the facility to manually raise a complaint through correspondence with the DGFT. But, in this manner, they were unaware about the status of the application and what action was being taken.

"The manual process took six months to blacklist a foreign buyer, during which many more exporters fall victims to that buyer. In the online process, it will take a only a month's time to blacklist such fraudulent buyers," he said.

Of exporters, the agro commodity industry faces maximum harassment, especially the peanut and sesame seeds exporters. Often their goods get rejected upon arrival in a country, with authorities claiming the goods to be of inferior or low quality.

Exporters complain that this mostly happen in the African countries. The ceramic traders say their disputes mainly on payment arise in some of the gulf countries. The diesel engine exporters of Rajkot also face similar payment issues.

The Export Credit Guarantee Corporation of India (ECGC) provides export credit insurance support. The vice president of Rajkot Chamber of Commerce and Industry and an exporter himself, Parth Ganatra said, “Insurance is expensive which raises the cost of the products too.

After 5-6 transactions, a trader generally tends to trust the buyer and falls victim to breach of trust case. While the new online facility will prove beneficiary for the traders, DGFT should maintain a list of blacklisted firms on its website for exporters’ ready reference.”

The online facility will also help dispel Indian traders’ perception that DGFT priority to foreign traders’ grievances and not of Indians, a source said.

Source: timesofindia.com- Mar 01, 2019

HOME

****

Gopalpur Port’s capacity to be enhanced to 55 million tonne by 2025

Odisha Chief Minister Naveen Patnaik Thursday inaugurated the enhanced capacity of the port.

The Shapoorji Pallonji Group, that became majority shareholder of Gopalpur Port in 2017, is planning to expand its capacity to 55 million tonne (MT) by 2025, a senior company official said Thursday.

Strategically located between Paradip port in the north and Vishakapatanam in the south, Gopalpur Port is expected to bring about a change in cargo movement pattern once functional.

In 2017, the Shapoorji Pallonji Group got a controlling stake in Gopalpur Port and undertook a Rs 2,000 crore programme to enhance its capacity to 20 million tonne, a company official said.

Odisha Chief Minister Naveen Patnaik Thursday inaugurated the enhanced capacity of the port. He said Gopalpur port will play a crucial role in economic development of Odisha, especially Ganjam and other southern districts of the state.

It will create direct and indirect employment for over 6,500 people, the chief minister said.

Also read| 5.5 crore-passenger market at stake: UDAN's progress and challenges

"Gopalpur port is expanding its capacity to 20 MT all-weather operations in this phase with an overall vision of 55 MT by 2025. Shapoorji Pallonji Groups' ports business will now operate on both sides of the Indian coast providing strategic logistical advantages to its customers," Shapoorji Pallonji Port's Managing Director, Amit Saboo said.

In its enhanced 20 MT capacity, the port has developed its berth length from 225 meter to 800 meter, depth from 12.5 mt to 15 mt, stock yard at 66,000 sq mt and installed three harbour mobile cranes for handling of gearless vessels and enhance loading and unloading capacity, company officials said.

With the ability to simultaneously handle multiple vessels and diverse cargo, Gopalpur Port has rail evacuation infrastructure.

Source: financialexpress.com - Feb 28, 2019

HOME

****