USD 68.55 | EUR 80.04 | GBP 89.83 | JPY 0.61

**Cotton Market**

<table>
<thead>
<tr>
<th>Spot Price (Ex. Gin), 28.50-29 mm</th>
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<tbody>
<tr>
<td>Rs./Bale</td>
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<td>22732</td>
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**Domestic Futures Price (Ex. Gin), October**

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<tr>
<td>Rs./Bale</td>
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**International Futures Price**

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<tr>
<td>NY ICE USD Cents/lb (Dec 2018)</td>
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<tr>
<td>ZCE Cotton: Yuan/MT (Jan 2019)</td>
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<td>ZCE Cotton: USD Cents/lb</td>
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<td>Cotlook A Index – Physical</td>
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<tr>
<td>89.59</td>
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<tr>
<td>16,235</td>
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<tr>
<td>91.82</td>
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<td>96.70</td>
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**Cotton Guide:** MCX Cotton is at much higher than the spot price: The basis is at 6.50%.

The broad fundamental continues to trade positive for cotton price globally. Dryness and inadequate rainfall in the Texas region is expected to lower down the US cotton production estimate, sowing is in progress in India with suitable monsoon however, threat of pink bollworm could bring in new fear in the season.

The ending stocks are expected to witness tight in the 2017-18 crop amid higher domestic consumption and increased exports. Overall we expect market might remain positive in the short term. In fact the both far month future contracts at exchange and forward deals at physical market are trading at much higher price than the current spot price.
For reference, the MCX October future is trading around Rs. 24,200 per bale which translates to Rs. 50,450 per candy while the domestic spot price for S-6 28.50 mm (average) is hovering around Rs. 47,500 per candy. The basis is currently trading high at 6.50% which is much higher than the average basis.

Looking at the market structure the October future seems expensive however, steady spot price in India, higher ICE futures near 90 cents is supporting cotton price. We think cotton may continue to remain positive. From trading point of view the October future might trade in the range of Rs. 23,750 to Rs. 24,500 per bale in the near term. For detailed report please get in touch with Kotak Commodity Research Desk.

FX Guide:

Indian rupee trades little changed near 68.55 levels against the US dollar. Rupee is choppy today after a 0.2% appreciation yesterday. The mixed trade is due to positioning ahead of RBI and Fed monetary policy meeting today. As per Bloomberg estimates, RBI is expected to raise interest rate by 0.25% to 6.5%. The rate hike is anticipated due to inflation pressure and investor outflows.

However, some market players have expressed concerns about challenges to economic growth which could result in RBI maintaining a neutral stance. On other hand, Fed is expected to keep interest rate unchanged today but may reiterate support for two more rate hikes this year. Amid other factors, rupee gas benefitted from correction in crude oil price on prospect of higher supply from major oil producing states.

However, weighing on market sentiment are concerns about health of Chinese economy and trade war worries. Rupee may remain choppy ahead of RBI and FOMC decision but some depreciation is likely as US dollar will remain supported by optimism about US economy. USDINR may trade in a range of 68.35-68.75 and bias may be on the upside.

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

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INTERNATIONAL NEWS

US-China trade dispute likely to escalate further, may derail global growth: Moody’s

Moody’s Investors Service today said trade tension between United States and China is likely to escalate further during the year and will impact global growth.

The trade dispute would stop short of full implementation of the most severe potential measures announced so far, including tariffs on all US automotive imports or a breakdown of The North American Free Trade Agreement (NAFTA), Moody’s said in a report titled ‘Trade - Cross-Sector: Global Trade Monitor-July’.

“We expect the trade dispute between the US and China and other countries to be prolonged, with further trade measures being put in place over the rest of 2018,” Moody’s Macroeconomic Board Chair Elena Duggar said.

Moody’s said the trade dispute will have a manageable aggregate impact on global growth and inflation. “However, if there is a large reaction in the financial markets or if confidence is undermined, the dispute has the potential to derail the global economy,” it added.

GDP hit?

The trade restrictions may cut about 0.25 percentage points off US real gross domestic product (GDP) growth in 2019, offsetting some of the economy’s underlying strong momentum and fiscal stimulus gains. US inflation is likely to rise this year and next, driven more by the healthy economy than tariffs, it said.

For China, Moody’s said the trade restrictions will lead to a slowdown, cutting real GDP growth by around 0.3 to 0.5 percentage points in 2019. Moody’s assumes that these effects will be largely offset by moderate fiscal and policy easing.

Imposition of a high import duty by the US has triggered a trade war-like situation with other countries such as China, Europe, India too resorting to higher tariffs.
Moody’s in its ‘Global Macro Outlook: 2018-19’ released in May, had said that the G-20 countries will grow 3.3 per cent in 2018 and 3.2 per cent in 2019.

The advanced economies will grow at a moderate 2.3 per cent in 2018 and 2.0 per cent in 2019, while G-20 emerging markets will remain the growth drivers, at 5.2 per cent in both 2018 and 2019, down from 5.3 per cent in 2017, it had estimated.

Source: thehindubusinessline.com- July 31, 2018

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Trade war’s tariffs may spur relocation of some Chinese textile factories to other Asian nations

Beijing’s retaliatory tariffs on US cotton will accelerate the offshoring of cotton spinning and lower-end textile and apparel manufacturing to South and Southeast Asia, and Chinese businesses are bracing for possible US tariffs on their finished goods if the trade war intensifies, industry executives have said.

But for now, at least, fallout from Sino-US hostilities has been limited because Chinese manufacturers have ways to get around the added duties, said Stanley Szeto, chairman of the Hong Kong Textile Council.

“So far the cotton tariff has had a very small impact on the Chinese textile industry because there are various ways to avoid it,” Szeto said, referring to the 25 per cent additional tariff on US products, including cotton, that took effect on July 6.

The Trump administration’s tentative 10 per cent tariff – pending a public hearing next month – on US$200 billion of Chinese merchandise has so far not touched the vast majority of China-made textiles and garments, except for fur and leather apparel and accessories like hats, gloves and handbags.

“But the tit-for-tat trade war and possible coverage expansion of trade barriers will, however, see Chinese firms look more closely at relocating their manufacturing capacity across the supply chain to countries like Vietnam and Bangladesh ... basically if the same product quality and delivery
reliability can be attained in these nations at a 10 per cent cost advantage, they would have moved,” he said.

Szeto – chairman of 62-year-old Hong Kong-based fashion producer Lever Style, which works with designer brands such as Paul Smith and J Crew – said his firm made only about half its output in China, down from 100 per cent eight years ago.

Before the recently added 25 per cent duty, most US cotton sent to China had been exempt from import tariffs, which range from 1 to 40 per cent, depending on volume and prices.

This so-called “processing trade” – where cotton is imported by factories, some of which is located in “bonded supervision areas”, and used to make products that are exported from China – is exempt from tariffs.

According to the China Cotton Association, normal imports that did not fall under the processing trade, bonded supervision areas and other special customs categories – which are tariff-exempt provided no imported cotton is consumed in China – accounted for only 21 per cent of total imports last year.

This is despite the processing trades being subject to supervision and quotas set by local governments, which are reducing low-value-adding and pollution-prone manufacturing to drive the creation of more skilled jobs and improve the environment.

There is uncertainty about whether Chinese authorities will allow more processing trade quotas even as Beijing announced a substantial increase in cotton imports last month, said Bosco Law Ching-kit of Lawsgroup, a Hong Kong-based textile manufacturer with more than 20,000 workers in China, Bangladesh, Vietnam and Myanmar.

“In view of the Sino-US trade war, whether [more] processing trade is acceptable by the Chinese government is in doubt,” said Law, the firm’s chief executive.

Meanwhile, industry executives expect the tariffs to accelerate the relocation of Chinese cotton-spinning operations to Southeast Asia.
Law said that regardless of tariffs, supply-chain adjustments were an ongoing exercise for Chinese producers given rising costs.

“We are facing cost pressure all the time, not just because of tariffs but also labour and logistics costs,” he said. “Keeping operations efficient, sourcing materials with competitive pricing around the globe is the norm for all industrialists.”

Source: scmp.com- July 31, 2018

Trade war with US to plant seeds of change in China’s cotton industry – one way or another

For more than two decades, Sun has been planting cotton, the best crop for the saline soil of Shahuliu village, part of Binzhou city. With her husband living in another city as a migrant worker, Sun has been taking care of their child and the land alone for years.

Double threat to China’s cotton: warmer weather and the mirid bug

Used to the hardship working in the fields, Sun did not take any break while detecting pests on her cotton plants in the sweltering summer heat.

She took a picture of one pest and uploaded it to a mobile phone app. “I’m sending to cotton experts. They usually get back quickly on what the pest is and how I should treat it,” she said.

In about two months, her cotton will be picked and transported to market – where dynamics have been changed by the trade war initiated by US President Donald Trump.

“If the cotton price is good, I’ll be happy to plant more cotton and less corn next year,” Sun said. “Will the cotton price really go up?”

Cotton is under the spotlight since China announced in April it would be assessing a 25 per cent tariff on US cotton, among 106 commodities and products imported from the US, in retaliation to Washington’s punitive measures on Chinese goods. Those tariffs took effect on July 6.
“The tariffs, if in place for a long time, will bring profound changes to the world agriculture sector and the supply chains,” Ma Wenfeng, a senior analyst with Beijing Orient Agribusiness Consultants, said.

“In the short term, China will replace reduced US cotton with that from Brazil, Australia and India. In the longer term, it will seek to rely more on domestic cotton.”

China uses more than 8 million tonnes of cotton annually, with 14 per cent relying on shipments from the United States, Australia, India, Uzbekistan, Brazil and other countries.

The US, China’s top overseas supplier, shipped more than 500,000 tonnes of cotton to China last year, statistics from the China Textile Information Centre and the US Department of Agriculture (USDA) showed, constituting 44 per cent of China’s cotton imports.

China already had a quota system on its cotton imports in place to protect domestic farmers. Before the trade war, it levied a 1 per cent duty on imports under the annual quota of 894,000 tonnes per its World Trade Organisation entry commitments. Volumes in excess of the level were subject to tariffs of five to 40 per cent, depending on the import price.

The punitive tariff, which brings total tariffs to between 26 and 65 per cent, would raise the price of US cotton by around 4,000 yuan (US$585) per tonne, forcing processors to seek alternative suppliers and pressing Beijing to expand domestic output of quality cotton at a crucial time, analysts said.

China’s cotton inventory was less than 6.5 million tonnes last year, under half the reserves it had in 2014, USDA data showed.

The smaller stockpile was a result of Beijing’s measures to reduce inventory after a 2011 bubble, as well as of farmers’ reluctance to plant cotton when prices were low. In the last three years, annual output has hovered at around 5 million tonnes, a level that is a two-decade low.

“The situation will be tougher for China. We have been witnessing ongoing buy-backs and cancellations” of US import volumes, and switches to Brazilian cotton, said Anestis Arampatzis, a senior risk management consultant at the New York-based commodities brokerage INTL FCStone.
“US cotton purchases by China for the 2018-19 marketing year [starting from August 1] are almost non-existent, while we still witness some demand for the following year,” he said.

Two China-based traders said they were deeply worried about the impact brought by the trade war.

“It’s difficult to foresee the prospects of the trade war. Reacting to the punitive tariff already in place, everyone has to act promptly,” one trader said on condition of anonymity. “We are switching from US cotton to other origins – India, Australia, Brazil, Greek.”

Concerned about inventory running low, China in June approved 800,000 tonnes of additional cotton import quotas for 2018, the first time it has allowed any extra quota in five years.

India’s cotton shipments to China could grow fivefold to 5 million bales (850,000 tonnes) in the next crop year as exporters rack up orders amid a trade war, Reuters reported in June, quoting an Indian trader who claimed to have got “good inquiries from China” for the new season’s crop.

India had already signed contracts to ship 500,000 bales of their new season harvest to China, Indian officials said in June, in rare advance deals.

However, Indian cotton may not become a key source to replace US cotton, at least for this marketing year, because of its lower quality grades. Also, earlier this month, New Delhi raised the minimum cotton selling prices for farmers by 26 to 28 per cent, according to Arampatzis.

Chinese buyers were more inclined to replace US cotton with those from Australia and Brazil for their better quality, another Beijing-based trader said.

However, Nick Carracher, a Sydney-based senior risk management consultant at INTL FCStone, forecast that Australia cotton was also unlikely be a major force to help offset reduced US cotton purchases significantly in the near-term, since drought conditions in northern Australia would limit the nation’s output.
Wang Wenfeng, a senior cotton expert in Binzhou Municipal Bureau of Agriculture, said the trade war was expected to allow China’s cotton crop a window of opportunity to catch up in terms of quality. Generally speaking, Chinese cotton is considered inferior to US cotton in terms of consistency of fibres, purity and strength.

Researching cotton over three decades, Wang, together with several farmer representatives in Binzhou cotton planting co-operatives, has made several visits to Xinjiang, China’s largest cotton planting region, in the past few years.

“Xinjiang cotton, especially that in the north with high utilisation of machinery in processes from sowing to picking, is of good quality. In a few years, it may be able to help purchasers fill in the gap and become a winner,” Wang said.

“China’s traditional cotton fields, including those in Binzhou, are likely to become a backup choice because the planting area could be expanded quickly and quality is improving.”

Back in Binzhou, Sun Yujuan said she and the villagers were more frequently resorting to technology and machines.

She is one of the 600 or so members of the Shandong Binzhou Nongxi Cotton Professional Cooperative, a semi-governmental organisation that helps farmers use mobile phone applications to identify pests, get planting advice, and rent farm machinery imported from the US.

Wang Jianjun, chairman of the Nongxi Cooperative, said: “Cotton output can be increased by 80 per cent if our farmer members are convinced to plant cotton, and quality improvement is also under way.”

However, Ma with Beijing Orient Agribusiness, said that mass production and wide use of machinery would generally be impossible in China’s rural areas, since land there was worked by farmers separately and they relied on their income from the land because they were denied reasonable pensions.

Since the 25 per cent tariff was only instituted on July 6, it would take a few months to see the results, a representative at a trade body promoting US cotton exports said on condition of anonymity.
Even so, the official said, the tariff would likely spur China’s domestic cotton growing and processing industry to examine ways to upgrade products quality and expand output to reduce the need for imports.

To avoid the tariff, Chinese fabric makers could outsource the spinning of US cotton to Southeast Asian nations. Yarn spun in Vietnam and Indonesia could then be imported to China for fabric production with no tariff.

The tariff should also accelerate industry trends, the official said. Those include moves by global apparel brands to Southeast Asian nations as expenses in China rise for labour and environmental compliance.

Source: scmp.com- July 31, 2018

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**US, China Aim to Restart Talks to Defuse Trade War**

The U.S. and China are trying to restart talks aimed at averting a full-blown trade war between the world’s two largest economies, two people familiar with the effort said.

Representatives of U.S. Treasury Secretary Steven Mnuchin and Chinese Vice Premier Liu He are having private conversations as they look for ways to reengage in negotiations, according to the people who spoke about the deliberations on condition of anonymity.

They cautioned that a specific timetable, the issues to be discussed and the format for talks aren’t finalized, but added there was agreement among the principals that more discussions need to take place.

Negotiations to resolve the dispute have been stalled for weeks, with both sides refusing to budge. High-level U.S. talks on the Trump administration’s trade posture toward China are taking place this week, according to a third person who also spoke on the condition of anonymity.

U.S. stocks closed higher as the prospects for an easing in trade tensions lifted industrial shares, with Boeing Co., Caterpillar Inc. and 3M Co. all adding more than 1 percent.
The next wave of U.S. tariffs is set to kick in as soon as Wednesday, with the possible imposition of duties on another $16 billion of Chinese imports. The implementation could be delayed for weeks as the administration works out the details of which products it will target. Officials in Beijing have vowed to respond with the same amount of tariffs on U.S. products.

One person familiar with the internal deliberations said the U.S. is trying to secure certain concessions and if China agrees, it is possible the U.S. would back off additional tariffs.

Complicating Mnuchin’s efforts is a harder line taken by U.S. Trade Representative Robert Lighthizer, who has jurisdiction over the U.S.’s 301 investigation that sparked the tariffs. That case concluded China was stealing American technology and tariffs were needed to offset the damage.

A U.S. Treasury spokesman didn’t respond to a request for comment.

‘Chronic Problem’

U.S. and Chinese officials have given little recent indication in public that a restart to negotiations might be in the offing. Lighthizer said last week that trade tensions with China are a “chronic problem,” while China’s representative at the World Trade Organization accused the U.S. of “extortion.”

The two sides held three rounds of formal talks, beginning with a delegation to Beijing led by Mnuchin in May. After Liu visited Washington later that month, the nations released a joint statement pledging to reduce the U.S. trade deficit with China, among other things.

But within days, President Donald Trump himself backed away from the deal, saying talks would “probably have to use a different structure.”

Negotiations broke off after the Trump administration imposed tariffs on $34 billion in Chinese imports this month, a move the Chinese said would void any promises they’d made in negotiations. Beijing responded in kind with its own tariffs.
Trump’s mission to reduce the U.S. trade deficit via the threat of tariffs has brought him into conflict with China as well as U.S. allies, roiling financial markets and raising fears of a global trade war the International Monetary Fund has warned may undermine the strongest economic upswing in years.

**ZTE Deal**

Chinese and U.S. officials have struggled to find a starting place for a new round of talks. After taking a hard line on Chinese telecom equipment maker ZTE Corp., the Trump administration this month finished a deal that allowed the company to stay in business. Trump said the pact was a personal favor to Chinese President Xi Jinping.

In exchange for the U.S. letting ZTE survive, Chinese regulators were expected to approve a deal between San Diego-based Qualcomm Inc. and rival chipmaker NXP Semiconductors NV, based in Eindhoven, Netherlands.

Mnuchin was among the Cabinet officials involved in a last-minute effort early last week to get the Qualcomm-NXP deal approved before the companies vowed to walk away from it on July 25, the people said. Mnuchin’s efforts were unsuccessful and Qualcomm scrapped its $44 billion bid for NXP. The people familiar with the U.S.-China dispute said the U.S. has privately expressed dismay to the highest levels of the Chinese government that the deal fell through.

**Politburo Shift**

In a sign the trade standoff is reverberating through Chinese politics, the Politburo signaled Tuesday that policy makers will focus more on supporting economic growth amid risks from a campaign to reduce debt and the dispute with Trump.

The communique, which followed a meeting of the country’s 25 most senior leaders led by Xi, said the nation’s campaign to reduce leverage will continue at a measured pace while improving economic policies to make them more forward-looking, flexible and effective in the second half of 2018.

Source: sourcingjournal.com- July 31, 2018

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US suspends duty-free benefits for apparel from Rwanda

On Monday, the US suspended duty-free benefits for apparel from Rwanda due to tariffs imposed by the East African country on used clothing and footwear imports it blames for harming the local textile industry.

The proclamation by US President Donald Trump "suspends the application of duty-free treatment for all apparel products from Rwanda", the office of the US trade representative said in a statement.

The now-suspended duty-free benefits came under the African Growth and Opportunity Act (Agoa), but "Rwanda remains eligible to receive non-apparel benefits available under" the measure, deputy US trade representative CJ Mahoney said in the statement.

Affected products accounted for about 3% of Rwandan exports to the US in 2017, valued at $1.5m, meaning that "the president’s action does not affect the vast majority of Rwanda's exports to the US", he said.

Rwanda blames used clothing — which mainly comes from the US — for undermining the development of its local textile industry. In 2016, Kigali raised tariffs on the importation of second-hand clothes, disrupting a multi-million-dollar industry and setting it on a collision course with the US.

Initially, the East African Community regional bloc was united in its battle against used clothes, but the alliance cracked as Kenya, Tanzania and Uganda balked at the prospect of retaliatory loss of access to US markets via Agoa.

Only Rwanda did not capitulate and in 2016 its imports of used clothing dropped by a third.

Source: businesslive.co.za - July 31, 2018
Myanmar Garment Factories Are Shuttering Over Rising Costs

Myanmar has been working to restore its former garment manufacturing glory, but rising costs in the country are stopping some factories in their tracks.

Fourteen factories in Yangon’s industrial zones appear set to shutter in the coming months as wages and land costs increase, Myanmar Times reported.

In January, Myanmar’s National Committee for the Minimum Wage approved a 33 percent wage hike for workers in January, taking their daily rate from 3,600 kyat ($2.47) to 4,800 kyat ($3.29), which works out to roughly $85 a month.

And rising land costs in line with that haven’t helped the situation for factories either. Some have already been forced from industrial zones over land leases they could no longer sustain.

After years of U.S.-levied sanctions during the country’s military rule were eased, companies, like Gap, turned back to the country for sourcing to take advantage of low cost and abundant labor.

Thanks to its history of garment production, Myanmar was quickly able to reassert itself as a viable player for apparel manufacturing—both the quality and capacity for scale were already there.

As of May, U.S. apparel and textiles imports from Myanmar are up nearly 53 percent year over year, according to data from the U.S. Commerce Department’s Office of Textiles and Apparel. In 2017, the U.S. imported $149 million worth of textiles and apparel from the country.

But with costs climbing, Myanmar may lose some of its appeal for apparel.

Now that minimum wages have risen, U Myint Soe, chair of the Myanmar Garment Manufacturers Association (MGMA), told the Times, “I see that many businessmen, including the locals, are thinking twice before investing in manufacturing-intensive sectors like garments.”
Continuing, Soe said, “The garment industry is under pressure from having to raise the minimum wage. At the same time, productivity, which is already lower than other countries in the region, has not improved. As a result, many garment businesses no longer want to operate here.”

Chinese-operated Seduno Myanmar Fashion closed its doors earlier this month, reportedly citing low production, an inability to meet delivery time demands, and of course, the climbing costs of doing business.

Of the 400 garment factories MGMA says there are in the country, 170 are foreign-run, with China accounting for 60 percent of that count, the Times reported.

And with current trade relations between the U.S. and China strained as they are, some experts in the industry think more Chinese manufacturers may look to open more factories in the country, to get duty breaks on exports to the U.S. and European Union and the Generalized System of Preferences—which could potentially counter some of the closures.

Source: sourcingjournal.com - July 31, 2018

USA: Will Millennials Force Apparel Industry into Transparency?

Millennials have already embraced the craft/local/small batch/global comfort food movement, so much so that transparency and origin are now second nature in the food business. Now there are some who say it will take Millennials to bring that same transparency to the apparel industry.

“Like other generations, seven in 10 Millennials say they’re committed to living an environmentally and sustainable lifestyle,” said Ellen Karp, founder of Anerca International, a consumer research firm commissioned by Oeko-Tex for a study on the global consumer, who presented the findings during a webinar for the American Apparel and Footwear Association. “So what are they doing? They’re purchasing organic foods. They’re purchasing natural organic personal care products. And that follows a very standard pattern of adoption of sustainable behaviors. People generally start with what they ingest and then move into what goes on their body.”
According to Karp, four in 10 Millennials try to avoid brands or companies they feel aren’t friendly either to the environment or those making the product, which could have an effect on retail and apparel brands.

“This is something that comes up again and again,” Karp said. “The general findings of the survey suggested that as people increasingly learn about the impact of textile production, the greater the likelihood for shifts in attitudes and behaviors as they seek to ‘live a better textile life.’ And brands and marketers should be ready.”

Right now, consumers—especially younger shoppers—will vet food more than their clothes. Overall, more than 43 percent of all consumers say they always/usually check the country of origin information before purchasing fruits or vegetables. That compares to 38 percent for clothes and 34 percent for home textiles, according to the Cotton Incorporated Lifestyle Monitor Survey.

But digging deeper, it’s clear younger consumers are putting effort into researching some products more than others. When it comes to checking food, 52 percent of those age 25-to-34 “always/usually” check the country of origin, significantly more than those aged 35-to-55 (40 percent). And while fewer consumers check clothes for country of origin, 25-34 year olds were more likely to do so than those 35-55 (46 percent versus 36 percent).

Consumers also check labels for fabric content before buying. The Monitor™ research finds more than four in 10 (42 percent) “always or usually” check the fiber label, and cotton is their favorite fiber or fabric to wear (81 percent). Consumers say compared to manmade fibers, cotton clothes are the most comfortable (86 percent), sustainable (86 percent), soft (83 percent), and have the highest quality (78 percent).
Karp said the Anerca study shows once people have children, their levels of concern regarding harmful substances increase. For instance, parents of young children are most concerned (51 percent), compared to parents with older kids (47 percent), and those with no kids (28 percent).

“Among the quotes from Millennials, we had one person say, ‘I never worried about harmful substances before, but after my daughter was born, I started to become interested in ingredients in personal care products. Now I want to learn as much as possible about clothing safety and responsibility,’” Karp said.

Most consumers (90 percent) say they would feel good about wearing apparel made with cotton that’s grown in the U.S., according to Monitor™ research. And 58 percent would pay more for clothes made with U.S.-grown cotton.

Searching fiber labels for sustainability information might seem daunting, but Elizabeth L. Cline, author of “Overdressed, the Shockingly High Cost of Cheap Fashion,” and the upcoming, “The Conscious Closet: A Revolutionary Guide to Looking Good While Doing Good,” offers advice to both help shoppers as well as accelerate change in the industry.

She suggests consumers vet the environmental and social impact of their favorite brands through apps like Good on You and Buycott, which allow users to search their favorite labels or scan a garment’s barcode while shopping.

Consumers can also buy ethical and sustainable products using the shopping directory on Cline’s website, which features designers and brands that “are committed to producing fashion in a way that protects both the environment and human rights.”

Karp said Millennials want easy assurances that the brands they favor are doing the right thing. However, she said, this generation also has a heightened sensitivity to false claims, so greenwashing will only lead to lost trust.

Brands need to be transparent and communicate that they’re a conscious brand in a very clear way.
“If we are indeed approaching a tipping point in textile sustainability, Millennials are driving us there on the internet highway,” Karp said. “And even if you don’t market to Millennials, if your core audience is older, it’s still important to take heed.

Millennials are already the loudest voice in the marketplace. They’re shopping more often than others. They are coming into positions of social, cultural and business leadership and dominance. Their values are soon to become the norm.”

Source: sourcingjournal.com - July 31, 2018

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**Ethiopia's Bt cotton move challenges rival Kenya**

Ethiopia’s decision to start production of high-yielding genetically-modified (GM) cotton has thrown a challenge to rivals such as Kenya and Madagascar that are banking on textile manufacturing to drive economic transformation, say analysts.

The country in June this year approved cultivation of two hybrid types of Bt cotton, JKCH 1050 and JKCH 1047.

Ethiopian Government officials hope the step will achieve higher yields than conventional varieties and save the country huge import bills of raw material and attract more investment in its textile sector.

The country’s garment sector is currently in a renaissance phase, attracting global fashion brands hit by rising cost of labour, raw material and tax in China, according to a report in a top African daily.

While a projected 2.6 million hectares (ha) of land in Ethiopia is suitable for cotton cultivation, only 130,000 ha is under the crop.

Kenya has more than 400,000 hectares of land suitable for cotton growing, less than 35,000 hectares is presently under cotton. Kenyan textile firms have been making bulk fabric purchases from India, Hong Kong, China, Bangladesh, Pakistan or Taiwan.
Although the imported fabric is preferred for its good quality, the arrangement results in long order-to-delivery period that restrict apparel firms from competing in the higher margin, fast-fashion segment of the market.

Despite all this, the adaption of Bt cotton in Kenya is not certain.

Source: fibre2fashion.com - Aug 01, 2018

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UK keen on joining TPP

The United Kingdom has expressed interest in joining the revamped TPP trade deal, even before the 11 nation agreement has been ratified. Now known as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership it’s expected to come into force next year.

Japan and Mexico have ratified the treaty and it needs another four other signatories to ratify before it starts. The UK first wants to seek free trade deals with the United States, Australia and New Zealand. It sees these as crucial and strategic economic relationships that must continue on a sound footing after Brexit.

It then wants to go further and break new ground and be at the heart of the world’s fastest growing region and be part of the CPTPP. This covers markets across the world from Canada to Chile, Mexico to Vietnam. The agreement reduces 95 per cent of tariffs along with other barriers to trade.

The UK is seeking public feedback on the idea, wanting to prevent its isolation from the rest of the world after it exits the European Union. South Korea is said to have contacted multiple members about joining, while Taiwan, eager to counter mainland China’s push for its own trade sphere, has shown interest as well.

Source: fashionatingworld.com - July 30, 2018

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Vietnam: Textile export earnings forecast to up 1 bln USD against target

Vietnam’s garment-textile export turnover is expected to hit 18.5 billion USD in the second half of 2018, bringing the year’s export value to 35 billion USD, 1 billion USD higher than the target set for the year, heard a press conference in Hanoi on July 30.

According to CEO of the Vietnam National Textile and Garment Group (Vinatex) Cao Huy Hieu, enterprises need to build production and business strategies, focusing on using technologies in production, calling for investment and improving the quality of labourers.

Garment firms were also advised to increase investment for design, and fostering original design manufacturing to increase added value for their products.

They should also make great efforts to increase labour productivity, Hieu added.

To reach double-digit growth in the year, Vietnamese garment-textile firms should adapt to the market situation in tandem with expanding sales domestically and diversifying products, he stressed.

The country’s garment-textile export turnover hit 16.5 billion USD in the first six months of 2018, up 16.49 percent compared to the same period last year.

Notably, garment items contributed 12.86 billion USD to the total, up 15.27 percent year-on-year. Meanwhile, the revenue from fabric overseas shipments reached 787 million USD, a yearly rise of 31.83 percent.

Strong export growth was reported in most traditional markets for Vietnam’s textiles, including the US, the EU, the Republic of Korea (RoK), China, ASEAN and member nations of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Items with good growth in the period were fabrics, T-shirts, jackets and dresses.
Vietnam is among the world’s five biggest garment-textile exporters and producers. Experts said Vietnam has many opportunities to expand in the field thanks to free trade agreements.

The signing of the European Union - Vietnam Free Trade Agreement in 2018 is hoped to help Vietnam’s textile and garment industry make deeper inroads into this market.

In 2017, the garment-textile sector raked in 31.2 billion USD from exports, a year-on-year rise of 10.23 percent.

Source: en.vietnamplus.vn- July 31, 2018

Cambodia: Despite election uncertainty, exports achieve solid growth

Exports of garment and footwear products achieved solid growth during the first half of the year, expanding by 9.3 percent.

According to the Ministry of Commerce, exports from the country’s garment industry were valued at $3.7 billion during the first six months of the year.

The growth in export activity was achieved despite recent warnings from the European Union and the US – the Kingdom’s main trade partners – that they would annul Cambodia’s preferential trade status if the human rights situation in the country fails to improve.

The solid performance of the sector also comes during a sensitive time for the country, with Cambodia celebrating its sixth national poll on Sunday.

According to figures from the ministry, textile shipments to the European bloc grew by 10.66, achieving a total value of more than 1.6 billion, while those to the US rose by 10.73 percent and were worth $858 million.

These two markets jointly accounted for 72 percent of the Cambodia’s total exports.
Exports to Canada expanded by more than 9 percent, reaching a value of $324 million, while shipments to the rest of the world grew by 10.10 percent and were valued at $850 million.

Kaing Monika, deputy secretary general for the Garment Manufacturers Association in Cambodia (GMAC), said the overall performance of the sector has been impressive, particularly taking into consideration that the national election had many investors worried.

“The EU and the US are, and will continue to be, our most important markets. We are confident that the relationships between our countries will improve through mutual understanding and respect,” he said.

He said the encouraging numbers in export growth were the result of peace and stability in the country.

“Stability and public order is crucial for business activity and investment. This is the kind of environment the country needs to ensure further development, not only for export-oriented sectors, but for the whole economy,” he said.

The National Bank of Cambodia recently released its latest economic forecast, placing the country’s economic growth for the year at 7 percent, backed by a strong performance of the garment, tourism and construction sectors, among others.

“From a macroeconomic perspective, the country is strong, with garments being one of the main contributors to national growth,” said Chea Serey, NBC’s director general.

Following the dissolution in November of the main opposition, the Cambodia National Rescue Party (CNRP), the US and the EU threatened to cut back some of the trade preferences Cambodia currently enjoys.

The EU, in particular, said it would annul the Everything-but-arms scheme – which allows Cambodia to export to the European market duty and quota free – if the human rights situation in the country does not improve.

The CNRP was outlawed following allegations that its president, Kem Sokha, had colluded with the US to topple the government.
The EU is Cambodia’s top export destination, accounting for 40 percent of all its exports.

These have risen sharply in recent years, increasing by 227 percent between 2011 and 2016, and reaching €5 billion in value last year alone. Cambodia now is second amongst all EBA beneficiaries in terms of trade volume.

Source: khmertimeskh.com - Aug 01, 2018
NATIONAL NEWS

TEXPROCIL urges Government to allow utilization of Accumulated Input Tax Credit on account of inverted duty structure

The GST Council in its 28th meeting held on July 26, 2018 has recommended to allow refund of unutilised ITC to taxpayers in the Textiles Sector. Accordingly, CBIC has issued Notification No. 20/2018 – Central Tax (Rate) dated July 26, 2018 to implement the above decision. However, the said Notification has stated that the accumulated credit lying unutilized as on July 31, 2018 will lapse.

Shri Ujwal Lahoti, Chairman of The Cotton Textiles Export Promotion Council said “This will lead to serious problems for the textiles sector as the costs will go up on the available stocks as on July 31, 2018”.

Most of the dyes & chemicals and packing materials used by the textiles sector attract 12% and 18% GST. Further, in the case of manmade fibre textiles, fibre and yarn attracts 18% and 12% GST respectively. Whereas, the GST rate on fabrics is only 5% leading to accumulated Input Tax Credit on account of inverted duty structure.

Section 54 of the CGST Act allows “refund of unutilized Input Tax Credit shall be allowed where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies”.

While the intention of the Government is to provide refund of accumulated Input Tax Credit on account of inverted duty structure to bring down the cost of the products, it appears some technical reasons such as bifurcating the input tax credit accumulations before 31.7.2018 and after August 1, 2018 for the purpose of refunds have led to the above decision to make the accumulated credits lying in balance as on July 31, 2018 become null and void, according to the Chairman, TEXPROCIL

Shri Lahoti pointed out that the refund applications for accumulated Input Tax Credits are processed manually by the concerned GST Commissionerates who while scrutinizing the applications and the supporting documents can ensure that all the credits for which the refund application have been filed pertain to the period from August 1, 2018.
According to Shri Lahoti, fabrics manufacturers have paid the GST on all their inward supplies – both goods & services and have legitimately taken the Input Tax Credit Credits and, therefore, these Input Tax Credits should not be denied on fabrics by making them null and void.

The Chairman, TEXPROCIL urged the Government to allow the accumulated Input Tax Credits on fabrics available with the weavers as on July 31, 2018 for adjusting GST payment on outward supplies – both for domestic and export supplies.

Source: Texprocil Textile Intelligence- July 30, 2018

Allow GST payment with unused input tax credit: TEXPROCIL tells govt

The Cotton Textile Export Promotion Council of India (Texprocil) has urged the government to allow the accumulated input tax credits on fabrics available with the weavers as on July 31 to be adjusted to GST payment on outward supplies in both domestic and export markets.

In its last meeting, the GST Council has allowed refund of unutilised input tax credit to taxpayers in the textiles sector. Subsequently, in a notification issued, the Central Bureau of Indirect Taxes and Customs has said the accumulated credit lying unutilised as on July 31 would lapse.

Ujwal Lahoti, Chairman, the Cotton Textiles Export Promotion Council, said the cancellation of unutilised credits will lead to serious problem in the textiles sector and push up the cost of inventory.

Most of the dyes and chemicals and packing materials used in the textiles sector attract 12 per cent and 18 per cent GST. Further, manmade fibre textiles and yarn attract 18 per cent and 12 per cent GST respectively. Whereas, the GST rate on fabrics is only 5 per cent leading to accumulation of input tax credit due to inverted duty structure.

As per the Central GST Act, Section 54 allows refund of unutilised input tax credit shall be allowed where the accumulation is due to inverted duty structure.
While the intention of the Government is to provide refund of accumulated input tax credit due to inverted duty structure and bring down the cost of products, such bifurcation the input credit accumulated before July 31 and after August 1 for the purpose of refunds has led to serious concern.

Lahoti pointed out that the refund applications for accumulated input tax credits are processed manually by the concerned GST Commissionerates who while scrutinising the applications and the supporting documents can ensure that all the credits for which the refund application have been filed pertain to the period from August 1, 2018.

Fabrics manufacturers have paid the GST on all their inward supplies — both goods & services — and have legitimate input tax credit and therefore it is not proper on Government to let it lapse, he said.

Source: thehindubusinessline.com - July 31, 2018

Indian polyester and blended yarn exports increase by 50 per cent

As per an analysis of Textile Beacon’s Fibre to Yarn Trade Statistics – India’s exports of polyester and its blended yarns, over the past five months, have recorded year on year increase of over 50 per cent in value terms. Growth had almost doubled in March this year.

The average price realisation of spun yarns between June 2017 and June 2018 increased almost US cents 10 a kg, from $2.74 a kg to $2.83 a kg.

The highest US cents 15 was in case of 100 per cent polyester yarn, US cents 11 in poly-cotton and US cents 7 in poly-viscose yarns.

In June, India exported 100 per cent polyester yarns worth $11.5 million to 49 countries at average unit price of $2.49 a kg with volume at 4.6 million kg.

During the month, 9.8 million kg of PC yarns was exported worth $27 million while 4.7 million kg of PV yarns were exported worth $14 million.
Globally, Turkey is the largest importer of polyester yarn, followed by Brazil and US.

Bangladesh, Colombia and Egypt are the largest importers of PC yarn from India while Turkey is the single largest importer of PV yarns from India followed distantly by Pakistan.

Source: fashionatingworld.com-July 31, 2018

Power loom sector wants electricity tariff slashed

The powerloom weaving sector has demanded that the electricity tariff be brought down, as has happened in Maharashtra.

The powerloom sector has been paying Rs 7.30 per unit of electricity, while their competitors in Maharashtra are paying less than Rs 3.50 per unit.

Textile entrepreneurs have made a representation to the Gujarat industries commissioner to proactively reduce the power tariff for the textiles sector and thus make fabric manufactured in Surat competitive with fabric made in Maharashtra and Rajasthan.

Textile industry leaders said the power tariff in Gujarat is almost double that of Maharashtra. Textile units have been paying Rs 7.5 per unit of electricity, while units in Maharashtra pay Rs 3.25 to Rs 3.75 per unit. Due to the huge different in tariffs, fabric manufactured in Surat about Rs 5 per metre more expensive.

Textile entrepreneur who invested under the technology upgradation fund scheme (TUFS) are yet to get the subsidy amount of Rs 650 crore for the last two years. This has hampered the growth of TUFS and the cascading effect of GST has further stalled modernization in the textile sector.

A leader from the powerloom sector, Devesh Patel, said, “In the last six month, most textile entrepreneurs have shifted to Tarapur and Navagam in Maharashtra. These sites are 100km to 150km from Surat. They are attracted to Maharashtra due to the investor-friendly textile policy and low power tariffs.”
Textile entrepreneurs also pointed out that unfinished fabric manufactured in Surat reaches Vietnam and China via Kolkata and Bangladesh. Finished fabric from Vietnam is then dumped in India at low prices.

President of SGCCI, Hetal Mehta, said, “The new textile policy should address the power tariff, capital subsidy, interest subsidy and investment issues on top priority. If the government fails to address these issues, Surat’s textile industry will be in trouble.”

Source: timesofindia.com-Aug 01, 2018

Garment industry seeks lifting of ban on polybags

_Tirupur Exporters’ Association (TEA), the largest knitwear/readymade garments cluster in India, has appealed to the Tamil Nadu government not to ban polybags supplied to garment units as the decision may hit the exporters’ business in a big way. The state government has, on June 25, issued an order banning the ‘use and throwaway plastics’ from January 1, 2019._

While welcoming the state government’s decision to ban usage of plastics from January next year, the association noted that in the banned plastic items’ list, the polybag used for packing of the garments to the exports as well as in the domestic markets has also been included. This would cause a big impact on the garment manufacturing units.

In his appeal to the chief minister of Tamil Nadu, TEA president Raja M Shanmugham said the point of contention is that the garment industry would totally come to a standstill as they don’t have any other alternative for packing of the garments. Moreover, there will also be a cascading effect on downstream activities of garment sector.

According to him, in the garment sector, the polybag is used for packing of each and every garment and these polybags are recycled. More importantly, as there are no environmental issues in the usage of polybag, the environment conscious countries are also insisting to use polybags for packing garments.
Referring an importers specification, Shanmugham said that one of the overseas importers has given a polybag specification mentioning that individual garment polybag shrouding should be made from minimum 20 micron (80 gauge) LDPE (low-density polyethylene) and master (set) or ‘blister’ polybag shrouding should be made from minimum 25 micron (100 gauge) LDPE.

Source: financialexpress.com-Aug 01, 2018

Centre approves 8 centre of excellence for competitiveness

The Centre has approved setting up of eight centres of excellence for enhancement of competitiveness in the Indian capital goods sector at a cost of Rs 169 crore.

Union Minister of State for Heavy Industries Babul Supriyo said in Lok Sabha that Rs 86.5 crore has already been released by the central government to these eight centres of excellence.

Supriyo said under the scheme, the IIT Madras will develop 11 advanced technologies for machine tools and production technology, the Central Manufacturing Technology Institute, Bangalore will develop high speed shuttle-less rapier looms and PSG College of Technology, Coimbatore will develop three welding technologies.

The minister said during Question Hour that the IIT Kharagpur will develop seven manufacturing technologies, Heavy Engineering Corporation, Ranchi will develop five cubic metre hydraulic excavator and SiTare, Coimbatore will develop smart submersible pumps.

The Indian Institute of Science, Bangalore will develop additive manufacturing for high performance metallic alloys and the IIT Delhi will develop textile machinery under the scheme, he said.

Source: business-standard.com-July 31, 2018
Reclassifying MSMEs

The turnover criterion will cause confusion

The Centre has introduced an amendment to the MSME Development Act 2006 to redefine the sector based on annual turnover as the single criterion.

While change in the definition from the sole criterion of investment in plant and machinery that has facilitated Inspection Raj is long overdue, moving to another single criterion of turnover is fraught with greater risks for the MSMEs.

The term SME encompasses a broad spectrum of definitions, which varies from country to country. Generally these guidelines are based upon either headcount, sales or assets or a combination of any two or all of them. Some are backed by law while others by practice and policy.

Indian MSMEs contribute significantly to economic growth and are already suffering from several disabilities. The objective of changing the definition of the sector should be to create more jobs, wealth and innovation.

Definitions also vary across multilateral institutions like the World Bank, UNIDO, and OECD.

World Bank defines SMEs based on employment and assets.

International experience

Out of 18 countries in Asia, Caribbean, East Africa, West Africa, South Africa, Latin America, North America, and Eastern Europe — six countries define SMEs in terms of assets, employment and turnover, while nine defined them in terms of two of the three criteria — either assets and employment or employment and turnover.

Only four countries including India used a single criterion — either assets or employment. The Philippines, Thailand, Bolivia, Mozambique and Rwanda defined SMEs in terms of employment as single criterion.
The Inter-American Development Bank defines SMEs as having a maximum of 100 employees and less than $3 million in revenue. In Europe, they are defined as having manpower fewer than 250 employees and the US define them with employees less than 500.

As general guidelines, the World Bank defines SMEs as those enterprises with a maximum of 300 employees, $15 million in annual revenue, and $15 million in assets. In Kenya, there are different definitions of SMEs which are yet to be consolidated. For example, a national baseline survey of SMEs carried out in 1999 defines a small enterprise as one which employs 6-10 people while a medium one is expected to have 11-100 employees.

So using employment as a criterion is widely prevalent. The number of employees by itself is no indicator for efficiency of an enterprise.

It is also no guarantee for growth. This criterion when applied singly gives the IT sector an advantage as even 10 employees in an IT firm can contribute to a turnover of ₹500 crore annually.

Turnover as a single criterion could also lead to confusion over benefits enjoyed by MSMEs under the law as fluctuations in turnover can lead to reclassification of the unit between micro, small and medium categories. Depending on business cycles, the turnover may increase or decrease the redefined thresholds.

Whenever such change occurs, it would be impossible to reclassify and extend or withdraw the entitlements of incentives for this sector.

Using two criteria for defining the sector would be more rational and ensure better growth of the sector.

Doing away with investment in plant and machinery is welcome but replace them with employment and turnover.

Source: thehindubusinessline.com-Aug 01, 2018
Trade war: The risks are different for India

India’s decision to impose retaliatory tariffs against the US decision to raise steel and aluminum tariffs has surprised many. It has been irksome for those who feel India’s strategic valuable ties with the US should be nursed with caution and care.

Retaliatory tariffs might spoil not just the strategic bonhomie, but also jeopardise India-US trade relations, one of the rare trade ties where India enjoys a surplus.

India and the US have overcome frosty ties of the Cold War years to move to a relationship marked by trust, confidence and a matching of wavelengths. But trade issues are major downsides and stick out as sore thumbs in a relationship that has improved phenomenally over the last couple of decades.

On trade, India and the US barely see eye to eye. Nothing highlights this better than their dispute records at the WTO. Soon after the WTO came into force on January 1, 1995, India and the US began taking each other to task at the dispute settlement platform.

India set the ball rolling on March 14, 1996, by complaining against the US on safeguard duties imposed on garment exports; the US followed a couple of months later, on July 2, 1996, complaining against India’s lack of adequate patent protection for pharmaceutical and chemical products. Over the last two decades, there have been 18 instances of disputes filed by India and the US against each other at the WTO.

India’s specific complaints in recent years have been on the US increasing visa fees for H1-B applicants and cutting their quotas, and subsidies given by some US states to local renewable energy producers. US on the other hand has been challenging India’s agricultural export subsidies, particularly minimum support prices for rice and wheat.

Beyond WTO, US and India have been locking horns over intellectual property rights. India continues to figure prominently on the Priority Watch List of the USTR’s Special 301, which identifies countries that according to the US have inadequate IP protection and enforcement capacities.
Back and forth dispute charges at the WTO have not affected growth in bilateral trade. According to the USTR’s statistics, bilateral trade (including both goods and services) increased from $19.1 billion in 2000 to $114.8 billion in 2016. It is not just the nearly six-fold increase in trade that is striking.

At the time when US president Donald Trump took office in 2016, his watch over US bilateral trade imbalances would not have failed to reveal that the bilateral trade deficit had increased five-fold; from $6.1 billion in 2000 to $30.8 billion in 2016.

In all three major segments of bilateral trade—agriculture, manufacturing, and services—US runs trade deficits with India. Manufacturing tops with $24.2 billion in 2016, followed by commercial services with $6.5 billion and agriculture with +$0.8 billion.

The rise in bilateral trade, along with the US deficit in such trade, might make India a candidate for US trade actions, going by assumptions that the US is out to settle scores with trade partners with whom it runs deficits. Even if it is, it should be noted that US-India trade is much smaller compared with those between the US and some other countries.

US-China trade is at a whopping $648.5 billion with the US running a deficit of $385 billion. While the size of the US-EU trade is more than a trillion dollars, the US deficit is a much smaller $92 billion. Similarly, with Japan, US’s total trade is $270.7 billion with it running a deficit of $54.9 billion.

But while the India-US trade size is smaller than the US’s trades with China, Japan and EU, there’s one particular aspect of the India-US trade that is interesting to note. With China, Japan and EU, US runs deficits in goods trade and surpluses in commercial service trade.

But with India it runs deficits in both goods and services trade, as mentioned earlier. While it is fatal to draw conclusions from this given the unpredictability of US trade actions, a simple comparative postulate could be as follows.

China, EU and Japan are examples of those trade partners who contribute significantly to the US’s global trade imbalance.
The key source of the imbalance is goods trade. These are countries, along with many others, that are at risk of encountering specific trade actions from the US, as China is already facing.

China can expect to encounter more actions given its continuation on Priority Watch List of ineffective IP countries.

India, clearly, is a lesser evil for the US as far as its role in contributing to the US’s global trade deficit is concerned. While this might protect it from specific trade actions like those on China, notwithstanding its retaliatory tariffs, it runs a different risk.

This is in encountering more barriers that affect its services trade. More restrictions on H1-B professional movements, aimed specifically at India, are likely to come up in the medium term, along with more pokes and probes at India’s IP regulations.

Punching retaliatory tariffs on a handful of US imports might not have made any significant dent on strategic goodwill on either side. Indeed, India’s action is likely to go down more as a symbolic reaction than anything else.

But India-US trade relations remain rocky and are not expected to improve anytime soon. India should brace for tougher outings on its trade policies at the WTO as well as greater restriction for its service exports.

Source: financialexpress.com- Aug 01, 2018
Textile processors seek common treatment plant in Erode

Members of Association of All Textile Processors (AATP) on Tuesday petitioned the chief minister, Edappadi K Palaniswami, seeking common treatment plant (CTP) in Erode district.

Erode East MLA K S Thennarasu, who is also president of AATP, told TOI that it was a long pending demand from textile processors. “Though many textile processors have treatment plant in their units, setting up of CTP is important for the development of the industry,” he said.

There are more than 1,000 textile processing (dyeing) units across the district. Of them, 380 had recently registered with AATP. Many dyeing units were found to be discharging untreated effluents in the drainage or in the Cauvery.

Tamil Nadu Pollution Control Board (TNPCB) officials usually take stern action against such erring units. It is in this wake textile processors have sought the state government to set up a CTP, similar like the one in Tirupur.

Office-bearers of AATP had taken up the issue with ministers K A Sengottaiyan, P Thangamani and K C Karuppannan, recently. The ministers invited them to Chennai to meet the chief minister on Tuesday.

The office-bearers explained the issues faced by the industry and stressed on the importance of setting up CTP in the district. “We told the chief minister that the processing industry will flourish if CTP were to be set up in the district,” Thennarasu said.

After receiving the petition, Palaniswami directed TNPCB officials to prepare a project report. The AATP members hoped TNPCB officials would form an expert team to prepare the project report. “The fund will be allocated by the state government after the project report is ready,” Thennarasu told TOI.

Source: timesofindia.com-Aug 01, 2018
Hands on handloom

Smitha Srinath always had a passion for handloom saris. “I was initiated into textiles by my parents, who loved handlooms. My mother and grandmother would always buy such saris and have discussions about the style it was woven in or designed. So, subconsciously, I inculcated a love for handlooms and also learnt about Korvais, Madurai Sungadis and so on,” explains Smitha.

Soon, she started receiving her own collection of Kanjeevaram or pochampallis. “I have an eye for design and colour,” adds the lady, who started curating handloom saris and had her first trunk sale nine years ago. She then started Maya, which sells only handloom saris in cottons and silks.

“My first sale was with just a few saris. Later, as it grew in numbers, I started dabbling in silks and discovered that some of the designs, weaves and colour combinations were dying. That is when I started travelling to meet weavers in the South, working with them and reviving some of the traditional combinations and weaves,” adds Smitha.

Showing us a silk sari, she says, “This one has a Ganga-Jamuna border. It comes with a double-sided pallu. Hence, the sari can be worn on both sides. We have revived these saris.”

Then she shows us a dark blue sari saying, “It is called MS-Blue (dedicated to MS Subbulakshmi). It has a Korvai border in pure zari and has half diamond designs.”

In a time of modern designs and colours, bringing out saris in traditional weaves and colours came with their sets of challenges. “Initially, when people came to Maya, they would ask for contemporary saris. I would be shocked as all I had were old designs in ancient colours and nothing modern. Now, they know what they get from Maya,” smiles Smitha, who adds that she is seeing a revival in handlooms as many women aged 20 years and above pick up such saris.

She works with weavers in Arni, Rasipuram and Kanchipuram to name a few. “I visit them often and we work together to bring out saris in cottons, silk cottons and silks. “The trend in colours too has changed to bright yellows, pinks and oranges. So, when I ask the weavers for a midnight blue or a snuff
colour, they look at me in disbelief saying that such colours have long been buried. Persuade them a bit and they are game for it.”

Smitha studies the history of handlooms and updates herself about our past heritage.

“We have a rich history in textiles and handlooms. People feel that they are expensive. But I feel that if the demand grows, so will the production and that will surely bring down the pricing.”

To propagate handlooms, Smitha organises various exhibitions. Her next will be at Raintree on August 3 and 4. The cottons start at ₹600.

Source: thehindu.com-July 31, 2018