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USD 64.56 | EUR 75.13 | GBP 85.71 | JPY 0.57

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
17975	37600	**74.07**

Domestic Futures Price (Ex. Gin), October

Rs./Bale	Rs./Candy	USD Cent/lb
18170	38007	**74.858**

International Futures Price

NY ICE USD Cents/lb (Dec 2017)	68.38
ZCE Cotton: Yuan/MT (Jan 2018)	14,950
ZCE Cotton: USD Cents/lb	**87.02**
Cotlook A Index – Physical	**79.55**

Cotton & currency guide: The October ended with sideways trend with a broad trading range of 66 to 70 cents. Finally December future ended in October down by 7 points at 68.38 cents per pound. However the scenario is different for other contracts which posted positive close but the trading volume continues to be lower.

On Tuesday trading volume was around 30K contracts more or less similar to previous day.

Out of total volume more than 60% are from spread trading between December and March contract. The spread continues to narrow down with position roll over on December to March.

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On the domestic front, With a view to control domestic cotton prices, the Indian Cotton Federation (ICF) had asked the govt. to procure 100 lakh bales of cotton from the farmers this season.

In line with the bonus payment announced to the cotton farmers in Gujarat; the cotton grower in Maharashtra too demanded a bonus payment of at least Rs 500/quintal for their product from the government.

In a move to ensure better remunerative prices to the farmers, the Gujarat govt. had declared a bonus of Rs 100 per 20 kg of the cotton sold directly to the Cotton Corporation of India (CCI) which is in addition to the MSP (Minimum Support Price) paid for the crop.

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

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INTERNATIONAL NEWS

Asia-Pacific Trade Growing, But Uncertainties Expected For 2018

The trade outlook for the Asia-Pacific region is positive for this year but some uncertainties are forecast for 2018, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) said in its annual trade and investment report.

The report entitled, 'Channelling Trade and Investment into Sustainable Development' emphasizes that cutting trade costs and deepening regional cooperation are key to ensuring the benefits of trade and investment can be shared across the region. Such policy mix may result in $100 billion more exports for the region annually. Export growth is forecast at 4.5 per cent for 2017 and foreign direct investment is also expected to rebound this year, building upon fast growth in greenfield investment in 2016 and continued investment liberalization, according to ESCAP's flagship publication.

Launching the report in Bangkok, United Nations Under-Secretary-General and ESCAP Executive Secretary Dr. Shamshad Akhtar, emphasized that an integrated approach to trade and investment liberalization is essential to achieving the Sustainable Development Goals (SDGs) in the region, but that SDG-targeted trade and investment policies and complementary domestic policies need to mitigate social and environmental impacts of trade and investment.

"The impact analysis of different policy scenarios featured in the report make it clear that SDGs cannot be achieved through protectionist policies," said Dr Akhtar. "What we need is targeted trade and investment liberalization policies that are more inclusive and mindful of the social and environmental dimensions of sustainable development."

The report noted that the expected growth of exports by developing Asia-Pacific economies is 4.8 per cent while that by developed countries in the region is 3.3 per cent. Countries previously affected by the slowdown of global value chains, such as Republic of Korea and the Philippines, are expected to enjoy significantly better trade prospects this year.

At the same time, the rising prices of industrial commodities and fuel will contribute to dynamic growth for commodity exporters such as Australia, India, Indonesia, Islamic Republic of Iran, Kazakhstan, and others.

The study also anticipates that the export volume of Asia-Pacific region in 2018 will grow more modestly than in 2017 at 3.5 per cent while the import volume will increase by less than 3 per cent.

Export and import prices, especially commodity prices, are not likely to increase, and in fact, may trend downward due to the potential slowdown of investment and consumption precipitated by rising uncertainties.

The sluggish prices will cause trade value in 2018 to grow much slower than in 2017. At the same time, deepening uncertainties may also affect extent of investment liberalization which is found increasing GDP by $19.5 billion annually, while decreases inequality in the region by 0.02 per cent per year.

The report proposes a policy framework to further enhance the contribution of international trade and foreign direct investment to sustainable development. It also provides estimates of the economic, social and environmental impacts of alternative regional trade and investment liberalization policy scenarios, when implemented alone or in conjunction with selected domestic social and environmental policies.

A strong message from the report is that integrated liberalization increases trade and GDP significantly more than any of the other stand-alone policy changes. This integrated approach facilitates the participation of countries in global value chains and significantly increases the competitiveness of regional exports. This integrated liberalization scenario provides strong evidence of the important synergies that can be achieved by liberalizing and facilitating trade and investment.

Source eurasiareview.com- Oct 31, 2017

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Vietnamese textile, garment exports may exceed $30 bn

Vietnam's textile and garment exports turnover in 2017 may exceed the target of $30 billion, according to the Vietnam Textile & Apparel Association (VITAS), which says $2 billion worth investment has poured into this sector this year to date. The turnover was $17 billion in the first seven months of this year. Some new barriers to business, however, remain.

The country has not witnessed many large-scale new foreign direct investment (FDI) projects in this sector this year as was seen three years ago. However, foreign investors are seen expanding their existing projects, according to a report in an English-language online newspaper in Vietnam.

The ministry of industry and trade has cautioned that export markets have increased their trade remedies against Vietnamese products. India, for example, imposed a tax of 35-45 per cent on elastomeric filament yarn.

While South Korean enterprise Long Thai Tu Yarn will invest $50 million to expand its workshop in Long Khanh industrial zone (IZ) in Dong Nai province, Trillions Enterprise from Brunei, which has a dyeing and weaving factory in Tan Duc IZ in Long An province, wants five more hectares to scale up production.

Taiwanese Far Eastern has registered additional investment capital of $485.8 million, raising its total investment in Bau Bang IZ to $760 million after two years of operation.

Among the Vietnamese firms that have stepped up investment, Bao Minh Textile has invested $75 million in a cloth-making unit in Nam Dinh that is likely to become operational by March 2018. Though companies no longer expect nil tax, Vietnam remains a big garment exporter globally, according to VITAS chairman Vu Duc Giang.

VITAS feels besides the Trans-Pacific Partnership (TPP), Vietnam's textile and garment industry enjoys benefits from other free trade agreements, including the ones with the European Union (EU), South Korea and Japan. Vietnam holds only 3 per cent of the EU market share in this sector.

Source: fibre2fashion.com- Oct 31, 2017

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ASEAN MSMEs key to regional bloc's growth: Philippines

The Philippines, chair of the Association of South East Asian Nations (ASEAN) this year, has highlighted the importance of linking ASEAN micro, small and medium enterprises (MSMEs) to multinational companies (MNCs) to propel economic growth of the regional bloc. It has called the ASEAN Economic Bloc (AEC) a major milestone in regional economic integration.

One of the country's key deliverables is the Focused and Strategic (FAST) Action Agenda on Investment, according to Ramon M. Lopez, secretary of the department of trade and Industry (DTI) and chairman of the board of investments (BOI). FAST promotes the integration of MSMEs in the regional production network.

Other deliverables of the FAST Action Agenda include ASEAN-wide assessment of the outstanding issues on trade-related investment measures, assessment on the establishment of an ASEAN investment tribunal and an assessment of the business registration among ASEAN in support of the investment facilitation goal of the ASEAN Comprehensive Investment Agreement.

Lopez noted that the AEC Blueprint 2015 did emphasise on including MSMEs in the global value chains of many large and multinational ASEAN companies. The government is working towards greater trade facilitation, self-certification and creating an ASEAN and national single widow to assist the trade transactions in the bloc, a newspaper report in the Philippines quoted Lopex as saying.

MSMEs and MNCs from the Philippines, Malaysia, Indonesia, Brunei, Thailand and Myanmar submitted interest on possible business collaboration, particularly in automotive, engineering services, supply of agricultural products, and manufacturing.

Foreign direct investment (FDI) in the ASEAN region was $96.7 billion in 2016, second among FDI inflows in Asia and the world.

Source: fibre2fashion.com- Oct 31, 2017

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US garment-textile firms seek opportunities in Vietnam

US garment-textile and footwear businesses are seeking their own investment opportunities in Vietnam as their country has withdrawn from the Trans-Pacific Partnership (TPP) earlier this year.

In late October, the American Apparel & Footwear Association (AAFA) and the American Chamber of Commerce in Vietnam (AmCham Vietnam) held a series of activities in Ho Chi Minh City, including an international workshop on product safety and compliance issues.

In the first eight months of 2017, Vietnam exported over 30.16 billion USD worth of goods to the US, making up 1.99 percent of the US's total import turnover.

However, during the eight-month period, Vietnam paid over 2.2 billion USD in taxes, ranking second out of the 15 countries paying the highest import taxes to the US.

According to Nate Herman, Senior Vice President of AAFA Supply Chain, Vietnam continued to surpass rivals in export growth to the US in spite of receiving no benefits from any trade preferential programmes or free trade agreements.

The Southeast Asian country's garment-textile and footwear exports to the US are likely to increase in the coming time, even without TPP, he evaluated.

He noted that the US's imports of Vietnam's garment-textile and footwear grew by 8.74 percent and 11.83 percent respectively over the past 12 months and Vietnam was the second biggest exporter to the market, after China.

US retailers and consumers recognised Vietnam's strengths of quality, prices and delivery commitments, he said, adding that this is the reason why the AAFA and US businesses want to arrive in Vietnam.

Earlier, the National Cotton Council of America (CCI) coordinated with the Vietnam Textile & Apparel Association to organise the Cotton Day 2017 and granted investment licenses to 12 businesses operating in Vietnam and using the US cotton.

The event aims to connect Vietnamese garment-textile enterprises with the US partners, suppliers and experts.

Ryan Cabrera Tuazon, regional director of the US HanesBrands group, said after 10 years of operating in Vietnam, its total investment has stood at around 55 million USD with three factories in the central province of Thua Thien-Hue and the northern province of Hung Yen.

Vietnam is defined as a production destination for HanesBrands in the Southeast Asian region, he said, adding that the factory in Hue is equipped with the latest technologies and manufacturing equipment.

Jon Fee, a senior adviser of Alston & Bird LLP, said without TPP there are other opportunities for the garment-textile and footwear producers in Vietnam such as the Regional Comprehensive Economic Partnership (RCEP), the EU-Vietnam Free Trade Agreement (EVFTA), the “One Belt One Road” initiative, and the “Two corridors and one economic belt” of Vietnam-China strategic cooperation.

Experts said Vietnam’s exports to the US will face difficulties in the coming time due to the US’s tighter regulations on product safety to reduce trade deficit.

Nevertheless, US garment-textile and footwear companies still have opportunities in Vietnam, they said, warning firms to pay due attention to product safety and compliance matters.

Source: vietnamplus.vn- Oct 31, 2017

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Bangladesh boosts protections for garment workers, says trade union

Bangladesh will extend an agreement to protect garment workers drawn up in the wake of the Rana Plaza disaster and embed it into national regulations, promising more stringent safety checks for its 4 million apparel workers, a labor union said.

Poor working conditions and low wages have long been a concern in Bangladesh's garment industry, which suffered one of the worst industrial accidents in 2013, when more than 1,100 people were killed in the collapse of the Rana Plaza complex.

The Bangladesh Accord is a legally-binding agreement between global brands and trade unions to establish a fire and safety programme for the country's $28 billion a year textile industry.

The accord runs to May 2018, but the government has agreed for it to continue beyond that date until a national regulatory body is ready to take over monitoring, a trade union said Tuesday.

"A goal of the accord has always been to transition to a credible regulatory regime by the Bangladeshi government," said Christy Hoffman, Deputy General Secretary of Uni Global Union.

"The talks with the government show that it recognizes the importance of a safe ready-made garment industry, and we will continue to work with regulators to help enhance their capacity."

The new agreement was reached on Oct. 19 between brands, trade unions, the Bangladesh Garment Manufacturers and Exporters Association, the U.N.'s International Labour Organisation and the Bangladeshi government, said a statement from the Accord.

Under the accord, more than 118,500 fire, electrical and structural hazards have been identified at 1,800 factories which supply at least 200 brands.

Boiler room inspections will be included in the programme following concerns after a blast in July killed 10 workers.

“At present, we are working out how we can fund the inspections, remediation and technical expertise needed,” Hoffman said.

The programme will also establish safety committees on factory floors as mandated by law to ensure better monitoring of safety features, Hoffman said.

Earlier this month, trade unions welcomed a ruling allowing complaints to proceed against two global fashion brands for allegedly violating the Bangladesh Accord. The cases will be the first under the accord to be judged by the Permanent Court of Arbitration (PCA) in The Hague.

Source: reuters.com- Oct 31, 2017

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Myanmar's largest garment firm opens new factory

Myanmar SUMEC Win Win Garments Co. Ltd, Myanmar’s largest garments exporter and a subsidiary of SUMEC Textile and Light Industry Co. in China, recently opened a new factory in Shwe Pyi Thar industrial zone in Yangon.

More Chinese firms are now investing in Myanmar with its economy opening up, Chinese ambassador Hong Liang said at the inaugural function.

The new factory is designed to host 50 production lines — 40 operational at present — with the annual capacity to produce 4 million pieces of garments. The company's yearly capacity can be upgraded to 10 million pieces, raising its export to $100 million, according to a Chinese news agency report.

Preferential policies and a vast labour market offer Myanmar a great advantage in the textiles and garment sector and the new factory will create more jobs and contribute to the country's economic growth, U Aung Htoo, deputy minister for commerce said.

Source: fibre2fashion.com- Oct 31, 2017

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Pakistani minister committed to revive textile sector

Pakistan's commerce and textile minister Muhammad Pervaiz Malik recently informed the senate standing committee on commerce and textile industry of his resolve to revive the textile sector through the PKR 162-billion trade enhancement package announced by the former prime minister. The committee meeting was chaired by senator Syed Shibli Faraz.

After the execution of trade enhancement package, the 'zero rating' for textile sector would be introduced, senior commerce ministry officials told the committee, according to a Pakistani news agency report.

About Rs. 946 million was allocated under the Public Sector Development Program 2017-18 for three textile projects, the committee was informed.

Source: fibre2fashion.com- Nov 01, 2017

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Bangladesh: Exports of non-RMG items buoyant

Shipments of non-apparel items rose 7.49 percent year-on-year to $1.51 billion in the first quarter of the fiscal year as the country is diversifying its export basket to cut reliance on garments.

Tea, frozen fish, jute and jute goods, leather and leather goods, furniture, ceramics, shrimps, vegetables, bicycles and terry towel performed better in the export markets during the quarter from a year earlier.

The garment sector accounts for more than 80 percent of national exports and its dominance continued in the first quarter as well, with apparel shipment fetching $7.14 billion with 7.17 percent year-on-year growth.

However, with the diversification of export baskets, some sectors have been performing well.

After garment, leather and leather goods came in the second spot for the last three years, earning more than $1 billion every year.

"I hope the leather sector will be able to achieve the target this year too as the shipment of those goods are increasing," said Saiful Islam, president of the Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh.

The target for leather and leather goods for fiscal 2017-18 has been fixed at $1.38 billion.

In the July-September period, leather and leather goods fetched $324.62 million, up 1.74 percent from a year earlier, according to data from the Export Promotion Bureau.

The export of leather and leather goods declined to some extent because of relocation of tanneries from Hazaribagh to the Savar leather estate. But now, it has rebounded, after about 25 tanneries started production in the new estate at Savar, according to Islam.

The shipment of leathers goods to new destinations such as Japan and Singapore, apart from the traditional markets of the EU, Canada and the US, is increasing at a faster rate, he said.

The entrepreneur said leather and leather goods manufacturers are more compliant, earning the retailers' confidence. "As a result, they are coming to Bangladesh and placing an increasing number of orders."

The contribution of the non-apparel sector in the national export earning has been targeted to increase to 25 percent, according to the Seventh Five-Year Plan.

Similarly, exports of frozen fish went up 23.08 percent year-on-year to $168.27 million in the first quarter thanks to favourable pricing, according to industry insiders.

“The export volume of fish, especially shrimp, did not increase this season, but the prices rose as the demand for our local variety of black tiger shrimp has increased in the Western world,” said Kazi Belayet Hossain, senior vice-president of Bangladesh Frozen Foods Exporters Association.

Exporters are receiving between $7.5 and $8 for every pound of shrimp, up from $5.5 to $6 a year earlier, according to Hossain.
“Our frozen fish market is just rebounding after some years,” said.

Export of fruits and vegetables are bouncing back after the government last month lifted nearly a year-long self-imposed ban on export of agricultural products to the EU, said Mohammad Mansur, general secretary of the Bangladesh Fruits, Vegetables & Allied Products Exporters' Association.

During the ban, exporters had shipped fruits like jackfruits and mangoes in bulk as the two items were out of the purview of the initiative.

The government had imposed the ban to avoid any major trade measures from the EU as questions had been raised about the quality of products of some consignments.

The lifting of the ban came after the opening of a newly-constructed central packaging plant in the capital's Shyampur. “So, our export is growing again,” Mansur added.

Jute and jute goods export increased 15.46 percent year-on-year to $236.12 million. Industry people said the demand for jute and jute goods items increased in the once war-torn Middle Eastern countries.

Source: thedailystar.net- Nov 01, 2017

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NATIONAL NEWS

Chairman Texprocil welcomes new initiative SAATHI of the Ministries of Textiles and Power

Shri Ujwal Lahoti, Chairman Texprocil welcomed the new initiative of the Ministries of Textiles and Power called SAATHI which is an acronym for the Sustainable and Accelerated Adoption of efficient Textile technologies to help small Industries.

This initiative is expected to benefit the almost 25 lakh power-loom units in the country which produce 57 percent of the total cloth in the country. The use of efficient equipment would result in energy savings and cost savings to the unit owner who would in turn repay in instalments to EESL (Energy Efficient Services Limited) over a 4 to 5 year period.

Shri Lahoti stated that the provision to repay in instalments is a novel idea as it will not cast undue burden on the small power-loom owners since they will not be required to incur any additional capital expenditure.

Shri Lahoti pointed out that this initiative is a step in the right direction as there is enormous scope for increasing the production and exports of fabrics from India in view of the abundant availability of raw materials and technical skills in the country.

The exports of fabrics can be increased substantially if they are treated on par with garments and made-ups in terms of incentives. However, inspite of these advantages and even though the weaving capacity has increased by 12% over last seven years, the woven fabric production has decreased by 3.58% as the fabric export has become uncompetitive due to various added costs, non-refund of State levies and the duty free access enjoyed by countries like Pakistan, Bangladesh, Vietnam in EU market.

Shri Lahoti added that the government should look at extending the ROSL (Refund of State Levies) benefit of above 5% to the fabric sector, so that the product gets exported and not the embedded taxes.

Source: Textile Intelligence TEXPROCIL- Oct 31, 2017

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Addressing GST blues of exporters

Indian exporters are waiting for the GST refunds for exports made in July, August, and September, even as the monthly refund cycle is yet to start substantively. Timely refunds reduce working capital requirement and hence are an essential part of the GST framework. But a more critical issue is whether the refund amount is correct or not. Even though the law agrees to zero rating of exports, the refund rules provide no guarantee that an exporter would get the refund that equals the amount of the GST paid.

The zero rating of exports under the GST law implies that the Government would not charge the GST on the transactions leading to exports. And if it does, it would refund the money in full. The reason being, exports are consumed out of India while the GST remains a tax on Goods and Services consumed in India.

The GST rules have adopted the formula for the refund from the CENVAT rules. (Section 42(i) of the CGST Rules 2017, Rule 5 of CENVAT credit rules 2004). It says that the refund would equal the total ITC available on a firm's account multiplied by the ratio of export turnover and the total turnover. Notice the moot point. The export turnover and not the actual GST paid is the criteria for calculation of refund. This means most firms would not get the GST paid on inputs as the refund. Few firms would get less, while smart ones may use the system to get more money.

Two examples will illustrate the point. We consider the case of Ria, a plucky business person who buys yarn and makes fabric which she sells here and exports.

Case No. 1

In a particular month, Ria buys yarn and pays ₹1,050 to the yarn supplier. ₹1,000 for the price of the yarn and ₹50 for the GST at 5 per cent. Ria claims ₹50 as the Input Tax Credit (ITC). She manufactures fabric and sells it in the domestic market at a price of ₹1260 — ₹1,200 for the cost of the fabric and ₹60 for the GST, which he will pay at 5 per cent to the government. Ria also buys yarn to make fabrics for exports. She pays ₹300 for the price of the yarn and ₹15 for the GST at 5 per cent. When the yarn supplier deposits ₹15 as GST, Ria claims the ITC of this. She makes fabrics and exports to the US at a price of ₹400. Let us find out the refund available to Ria.

Case 1

Ria's business	Value of yarn purchased (₹)	GST @5%	Value of fabric (₹)	GST on the output @5% (₹)	ITC available (₹)
Domestic	1,000	50	1,200	60	–
Exports	300	15	400	0	–
Total	–	**65**	**1,600**	**60**	**5 (65-60)**

Refund on exports: **₹1.25 (5*400/1600)**

GST actually paid on inputs for exports: **₹15** | Loss to the exporter: **₹13.75**

Let us see how much refund Ria gets. Her total turnover for the month is ₹1600 (Domestic turnover of ₹1,200+Export turnover of ₹400). She earned a total ITC of ₹65 (₹50+₹15). Ria would use ₹60 to pay her GST liability on domestic sales. The net ITC available to her would be ₹5 (₹65-₹60). So the refund as per the formula would be ₹1.25 (5*400/1,600). Notice this. Ria has paid ₹15 as GST but gets back only ₹1.25, a loss of ₹13.75. The table captures the details.

Case No. 2

What if Ria buys inputs in a particular month, but sells output in other months. Often, business situations demand this. For example, yarn suppliers buy cotton in bulk during October-December and make/sell yarn rest of year. Ria may buy yarn in bulk for use rest of the year. In such cases refund on exports would always be higher than the GST paid. The table captures the details.

Case 2

Ria's business	Value of yarn purchased (₹)	GST @5%	Value of fabric (₹)	GST on the output @5% (₹)	ITC available (₹)
Domestic	1,000	50	200	10	–
Exports	200	10	1,000	0	–
Total	–	**60**	**1,200**	**10**	**50**

Refund on exports: **₹41.6 (50*1000/1200)**

GST actually paid on inputs for exports: **₹10** | Excess refund: **₹31.6**

Refund rules allow differing refunds on the same GST amount paid. For example, a firm buying yarn and exporting fabric will get less refund than the firm which buys yarn but exports shirts where prices are higher than the fabrics. Both should get the same refund as the GST paid on inputs remains the same. A firm can also get more refunds by over-invoicing of exports. Separating genuine from the fraudulent would be difficult.

WTO limitation: The refund formula also fails to meet the requirement of the WTO law on subsidy. Agreement on Subsidy and Countervailing Measures implies that any refund that exceeds the taxes paid on inputs consumed in the production of the exported product (making reasonable allowance for waste) would constitute an export subsidy. The current formula deviates from the above principle and is susceptible to challenges at the WTO.

Every year, the Government would refund about ₹2 lakh crore to exporters. This figure considers that about half of India's exports would require refunds, a value addition of 30 per cent and an average GST incidence of 18 per cent. This is a significant sum and must be refunded accurately.

The solution

Two changes would be necessary to ensure correct refund of GST.

One: A separate accounting of the domestic transactions and the transactions leading to exports is needed in the GST system. Domestic transactions like buying inputs for production of the export product would need to use the Export Invoices instead of the Normal Invoices. This is required to identify the GST paid on transactions leading to exports.

Two: Refund rules/formula needs a review to allow the refund of the amount that equals the GST paid on transactions leading to exports.

The new formulation may incorporate useful elements from the Advance Authorisation scheme to ensure accurate calculation of wastages required to make a product and a time-line within which a transaction need be completed. This would also require an exporter to identify his suppliers in advance.

The Government has announced the introduction of the e-wallet system from April 2018 to ensure zero-rating of exports and resolve working capital blockage.

Maintenance of a separate account for export-related transactions and review of the refund formula would help in creating a transparent and WTO compatible refund scheme and e-Wallet.

Source: thehindubusinessline.com- Oct 31, 2017

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Khadi turns tool for transformation: Indian PM

Khadi has turned a transformation tool with the sale of khadi items recording a 90 per cent rise during this Diwali festive season, Prime Minister Narendra Modi said recently on his monthly ‘Mann ki Baat’ address to citizens on state-run All India Radio. Khadi is emerging as a powerful means of empowering the poor and transforming their lives, he said.

During Diwali, khadi gift coupon sales recorded a 680 per cent rise, he said in his address on October 29. The sale of such coupons soared from Rs 86 lakh during the first half of the last fiscal to Rs 5.85 crore during the first six months of this fiscal ending September.

Noting that 'khadi for transformation' is gradually replacing the concepts of 'khadi for nation' and 'khadi for fashion', the prime minister said the sale at just one khadi outlet in Delhi on the Dhanteras festival on October 17 was worth Rs 1.2 crore.

“One can clearly see that today, the youth, the elderly and women of every age group are taking to khadi,” he said.

Sale of khadi products shot up by 33 per cent to Rs 2,005 crore in fiscal 2016-17, from Rs 1,510 crore a year ago, according to the Khadi and Village Industries Commission (KVIC), which expects to surpass the sales target of Rs 5,000 crore in 2018-19.

Source: fibre2fashion.com- Oct 31, 2017

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Linen Club stitching plans for premium apparel range

Linen Club, the fabric offering from Jaya Shree Textiles, is planning to launch its own apparel range across organised retail stores. Jaya Shree Textiles is a part of the Aditya Birla Group company Grasim Industries.

Called, “Linen Club Studio” – with offerings focussed on pure linen clothing – the apparels are already available across Linen Club exclusive brand outlets.

Incidentally, Linen Club Studio branded apparels are positioned towards the premium end and are priced upwards of ₹2,500. It was also sold through the group’s online platform, ‘abof.com’.

According to Satyaki Ghosh, CEO, Domestic Textiles, Aditya Birla Group, the company is planning to work on its back-end processes before initiating discussions with modern trade/organised trade.

“We do plan to launch branded apparels across modern trade soon. Right now, it is there across our 150-odd exclusive brand outlets,” he told *BusinessLine*.

Currently, Linen Club Studio offerings have been introduced at one “Central” store in Bengaluru. “We are piloting with one store at present,” he added.

Sources say the company has already ramped up its apparel manufacturing facility at Karnataka. Ghosh, however, did not confirm the same.

Incidentally, Jaya Shree Textiles has already invested close to ₹400 crore over the last few years at its yarn and fabric production unit at Rishra in West Bengal.

Jaya Shree Textiles has a share of about 70 per cent of the pure linen fabric market in India and is said to be suppliers to major international brands such as Marks and Spencer, H&M and so on. It is also a supplier (of linen) to many domestic players.

Source: thehindubusinessline.com- Oct 31, 2017

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CCI should buy 100 lakh bales of cotton: federation

With India expecting cotton production of 400 lakh bales this season (October 2017 to September 2018), the Cotton Corporation of India should procure at least 100 lakh bales during the peak arrival months so that prices remain stable, said J. Thulasidharan, president of Indian Cotton Federation.

In a memorandum to the Prime Minister, Mr. Thulasidharan said that according to the International Cotton Advisory Committee, globally cotton production is expected to be 75 % in surplus during the current year. This is likely to impact prices, especially for farmers in the country.

In India, most of the arrivals will be between November 2017 and February 2018. There might not be sufficient buyers in the market during this period and only those who have financial resources will buy cotton in bulk. There are possibilities of more exports too. In order to ensure that farmers get remunerative prices, the Cotton Corporation of India (CCI) should step in and buy 100 lakh bales during the peak season.

Farmers in Gujarat, Telangana, Andhra Pradesh, and Maharashtra will benefit if the Government agency steps in and buys substantial quantity.

It should ensure that the prices do not drop below the Minimum Support Price. The CCI can supply cotton to the mills directly in the later months of the season. Thus, there will be price stability throughout the season and farmers and the mills will benefit. The domestic textile mills are expected to consumer 300 to 310 lakh bales of cotton.

Further, in order to help the industry invest in value addition and buy more cotton, the commercial banks should finance the textile mills at 7 % interest and 15 % margin money under the NABARD Agri Finance so that the mills can buy cotton. This will ensure raw material security to the mills, he added.

Source: thehindu.com – Nov 01, 2017

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Telangana announces measures to boost handloom sector

The Telangana government recently announced a host of measures, including a Rs 10.5-crore loan waiver, setting up of handloom and powerloom corporations, deadline of November first week for implementation of subsidy for yarn, chemicals and dyes, and administrative sanction for a handlooom park in Gadwal city, to boost the handloom sector in the state.

After holding a review meeting of various initiatives of the state handloom and textiles department in Hyderabad, handloom and textiles minister KT Rama Rao instructed officials to take expedite the process of loan waiver that will benefit about 2,500 handloom weavers, according to media reports from Telangana. Each weaver will receive a loan waiver of up to Rs one lakh.

A subsidy of 40 per cent is being extended to the handloom sector and 10 per cent for the powerloom sector in the State.

The minister asked the officials to ramp up the Weavers' Thrift Scheme launched recently and conduct special drives to ensure that all weavers are enrolled in this scheme.

He also asked principal secretary Jayesh Ranjan and Shailaja Ramaiyer, director of handlooms and textiles, to complete the formalities for the creation of two corporations for powerloom and handloom so that necessary corpus funds could be allocated.

Source: fibre2fashion.com- Nov 01, 2017

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Reform booster: India breaks into top 100 in World Bank ease of doing business rankings

India broke into the top 100 in the World Bank's Ease of Doing Business rankings, notching up the biggest improvement among all countries on the back of big gains on a number of measures. The rise to the 100th position from 130 last year made India one of the top 10 best-improved countries and rounded off a day of good news on the economic front for the government. The Narendra Modi government had, on coming to power in 2014, set itself a target of breaking into the top 50 from 142 that year.

"I remember in the very first year the prime minister had said our target should immediately be to take India into the first 50," finance minister Arun Jaitley said. "I believe this is doable and therefore these remaining three-four areas where work has to be done, we will be pushing it with all the greater force." The rise in ranking will help boost the government's mission to raise overseas investment as part of efforts to revive the economy.

"India is the only large country this year to have achieved such a significant shift," the World Bank said in a statement, attributing the improvement to sustained business reforms over the past several years. ET had reported on Monday that India expected a big jump in the rankings, possibly breaking into the top 100, thanks to multiple reforms initiated by the government beginning to show results.

Commerce and industry minister Suresh Prabhu said, "This is just the beginning. He (PM) has initiated a number of measures which may not have been captured in this particular ranking study, so in the next few years we will see it improving again and again."

The World Bank's 'Doing Business 2018 — Reforming to Create Jobs' report ranks 190 countries on the basis of a combined score on 10 parameters.

India notched up improvement in rank in six of these measures. The report captures reforms in the period between June 2, 2016 and June 1, 2017.

"This sends a huge message to the entire investor community," said Ramesh Abhishek, secretary, Department of Industrial Policy and

Promotion (DIPP). “It is a real breakthrough in terms of ease of doing business in India... The recognition by the World Bank is the ultimate assurance for the investor.”

The rankings were unveiled after the government announced earlier on Tuesday that the core sector grew at a six-month high of 5.2% in September and that the fiscal deficit had improved to 91.3% of the budget estimate at the end of September from 96.1% at the end of August as revenues picked up pace.

India’s best performance is on protecting minority investors, where it ranks fourth in the world. The ranking doesn’t include the impact of the goods and services tax, which debuted on July 1.

The World Bank considers a reform only when it becomes operational and not when announced. Last year, the country’s ranking remained unchanged at 130 as many of the reforms were still being implemented.

India’s combined, or distance-to-frontier (DTF), score rose to 60.76 in 2018 from 56.05 in the previous year, which shows the country improved in absolute terms as well. Industry said the rise in ranking reflected the Modi government’s reform drive.

The “prime minister undertook a moonshot challenge to improve India’s rank and he has delivered through proactive leadership and constant monitoring with the rank going up from 130 to 100 within a year. This imparts a huge fillip to investors that the reform process is on track and would continue to be addressed intensively”, said Confederation of Indian Industry president Shobana Kamineni.

“The government has strategically addressed choke points of the business ecosystem in a mission mode to improve India’s rank and break into the list of top reforming nations. With the active participation of the states, industry is seeing visible impact at the grassroots in the investment climate.”

Gst impact in 1-3 years

The World Bank said India had adopted 37 reforms since 2003 but nearly half of these were implemented in the last four years.

“India is closing the gap between international best practices. It is a clear signal that not only has the country been open for business but it is also competing for the preferred place for doing business,” said Annette Dixon, vice-president, South Asia region, World Bank.

She also said that GST’s impact will be reflected in one to three years as it’s fully implemented. “This ranking is not the result of one year’s effort but of improvement over the last three years across the board,” she said. “Consistent effort is required to be in the top 50.”

Eight areas in which the World Bank counted reform impact include starting a business, dealing with construction permits, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. The other two areas are getting electricity and registering property.

“The country’s corporate law and securities regulations have been recognised as highly advanced, placing India in fourth place in the global ranking on protecting minority investors,” the World Bank said.

The time to obtain an electricity connection in Delhi has dropped from 138 days four years ago to 45 days, well below the 78-day average in OECD, high-income economies. India is ranked 29th on this measure among 190 countries.

The World Bank said India needs to do more. The time to enforce a contract takes 1,445 days compared with 1,420 days 15 years ago and while starting a business takes 30 days compared with 127 days 15 years ago, local entrepreneurs still need to go through 12 procedures to start a business in Mumbai, much more than in OECD countries.

“Tackling these challenging reforms will be key to India sustaining the momentum towards higher ranking,” said Junaid Ahmad, World Bank country director.

Source: economictimes.com- Nov 01, 2017

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