TEXPROCIL NEWS CLIPPINGS

TEXTILE INTELLIGENCE CENTRE IBTEX

INFORMATION BUREAU TEXPROCIL

An ISO 9001:2015 CERTIFIED COMPANY

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

IBTEX No. 226 of 2018 November 1, 2018

USD 73.82| EUR 83.71 | GBP 94.81 | JPY 0.65

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22134	46300	**80.41**
Domestic Futures Price (Ex. Gin), November		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22390	46835	**81.34**
International Futures Price		
NY ICE USD Cents/lb (Dec 2018)	76.86	
ZCE Cotton: Yuan/MT (Jan 2019)	14,860	
ZCE Cotton: USD Cents/lb	**82.29**	
Cotlook A Index – Physical	**87.75**	

Cotton Guide: Market remained quiet on Wednesday. No interesting news on Cotton. The trading volumes were stable. For ready reckoner the December future trades at ICE is still considered to have the highest open interests traded in a thinnest band and ended the session at 76.86 cents mere down by 4 points from the previous day's close.

The next active March 2019 contract also declined to end the session at 78.17. However the spread between the two contracts in last one month has widened marginally from less than 1 cent to currently hovering around 1.50 cents.

The carry has increased the effect of contango amid funds roll over positions. As indicated in our previous report Rogers' Fund Roll and a few others are currently scheduled to roll their positions precisely cut long in December and park in March. This is one of the reasons why cotton price has declined in last 10 days or so.

On the pricing front market is just trading above the key support area of 76 cents. The current momentum and direction is into sell side however only on break down below 76 cents will determine further decline in the price. The next support can be considered at the previous low of 75.37. Note by any means if the previous low is breached further selling in the counter could be witnessed. Likewise, on the higher side we 77.50/78 cent as key resistance level. For more details please contact commodities research desk.

FX Guide:

Indian rupee has opened firmer by 0.15% to trade near 73.84 levels against the US dollar. Rupee has benefited from weakness in crude oil price and some stability in equity market. Brent crude trades below $75 per barrel amid near record high production by US, Saudi Arabia and Russia. Asian equity markets trade largely higher today after gains in US market yesterday. Upbeat ADP jobs report and signs of progress in Brexit talks have improved risk sentiment. ADP jobs report noted a 277K increase in US private sector jobs in October as against forecast of 187K increase. The Times of London reported that UK financial services companies will get continued access to European Union markets after Brexit.

The US dollar index has also come off the highs as Pound strengthened on reports of Brexit progress. However, weighing on rupee are tensions between RBI and government, slowdown in Chinese economy which dents outlook for emerging markets and challenges to global economy. Indian government issued a statement yesterday supporting autonomy of RBI however market nervousness persists. Rupee has opened on a firmer note but the gains may not sustain as general optimism about US will support US dollar. USDINR may trade in a range of 73.6-74.05 and bias may be on the upside.

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

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	TPP-11 to be implemented on December 30, 2018
2	Tariffs on New Zealand exports to be lifted or lowered
3	China factory growth weakest in over two years
4	Australian companies are still betting on China despite the US trade war
5	Yoga Pants Built a $48 Billion Industry That's Replacing Jeans
6	Istanbul Yarn Fair opens in February 2019
7	German retail sales suffer sharpest fall in more than five years
8	Vietnam: Top brands to take part in textile expos
9	Why is cotton not higher already?
10	Pakistan's export potential too low to sign an FTA with Thailand
	NATIONAL NEWS
1	Modi brings sops to small business, to unveil MSME package; these benefits on cards
2	India vaults 23 rungs to grab 77th spot in 'ease of doing biz'
3	USDA arm sees India 2018-19 cotton crop down 2% at 36.5 mln bales
4	DP World, NIIF win bid to build Free Trade Warehousing Zone at JNPT Mumbai for $78 mn
5	India all set to increase global trade share: Suresh Prabhu
6	AEPC organises the Fabric Unit to commemorate the Indian Textiles Industry
7	Indian apparel industry plagued by volatile prices, fabric-sourcing challenges
8	A productive journey
9	Power loom weavers go on extended Diwali vacation
10	Walmart rides high on India growth; to invest $500 million to open 47 more stores
11	Indian mills profit margins rise in Q2
12	Driving growth through the retail sector

INTERNATIONAL NEWS

TPP-11 to be implemented on December 30, 2018

The 11-nation Trans-Pacific Partnership free trade agreement will be implemented on December 30, 2018. Six legislatures of member states have ratified the pact.

The trade deal takes effect 60 days after at least six countries complete the ratification process.

Nicknamed the TPP-11, the agreement was once known as the Trans-Pacific Partnership but was formally renamed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership last year.

Australia notified New Zealand that it has ratified the agreement. Mexico, Japan, Singapore, New Zealand and Canada had already completed the procedures.

Vietnam's parliament is expected to approve the deal by mid-November. Once the trade pact comes into force, a TPP committee of ministerial-level officials from member states will meet and decide on needed steps for countries hoping to join, such as Thailand and the U.K.

TPP-11 will lower tariffs on agricultural and industrial goods, as well as unify rules for business.

Tariffs on 99.9 per cent of Japan's industrial products and 98.5 per cent of its farm, forestry and seafood products will eventually be abolished.

Tariffs on agricultural products exported from Australia and New Zealand to Japan will also go down.

Source: fashionatingworld.com- Oct 31, 2018

HOME

****

'Tariffs on New Zealand exports to be lifted or lowered'

The revamped TPPA, now known as the Comprehensive and Progressive Trans-Pacific Partnership, is one step closer. New Zealand will get to see the benefits thereof from December 30th onwards, its government says.

Trade Minister David Parker announced today the CPTPP has been made official by the required six nations, triggering a 60-day countdown to the first round of tariff cuts.

Canada, Australia, Mexico, Japan, Singapore and New Zealand ratified the deal, with Brunei, Chile, Malaysia, Peru and Vietnam also part of the 11 country trade agreement.

Mr Parker said the CPTPP should see the export market with Canada grow: "There will be immediate duty-free access for wine, processed meats, wool, forestry and fisheries products, while beef tariffs and quotas will be eliminated over six years."

He said over 80 per cent of New Zealand investment in the CPTPP was not covered by compulsory Investor-State Dispute Settlement (ISDS) clauses.

But tvnz.co.nz has been reporting how ISDS clauses have caused concern, as they could allow foreign corporates to sue our government in a foreign court if they felt they had been disadvantaged by New Zealand law or changes to those laws.

The Green Party last week reaffirmed their opposition to the partnership, saying the "presence of ISDS has a chilling effect on our national sovereignty".

Source: freshplaza.com- Oct 31, 2018

HOME

****

China factory growth weakest in over two years

New export orders dip to 46.9 from September's 48.0

China's manufacturing sector barely expanded in October and missed expectations, as both domestic and external demand ebbed, in a sign of deepening cracks in the economy from an intensifying trade war with the United States.

The official Purchasing Managers' Index (PMI), released on Wednesday, fell to 50.2 in October, the lowest since July 2016 and down from 50.8 in September. It was a touch above the 50-point mark that separates growth from contraction for a 27th straight month.

Analysts surveyed by Reuters had forecast the official gauge, which gives global investors their first look at business conditions in China at the start of the last quarter of the year, would dip slightly to 50.6 for the month. The latest reading suggests a further slowing in the world's second-biggest economy and could prompt more policy support from Beijing on top of a raft of recent initiatives.

A production sub-index fell to 52 in October from 53.0 in September, while a new orders sub-index declined to 50.8 from 52.0. New export orders, an indicator of future activity, contracted for a fifth straight month and at the fastest pace in at least a year. The sub-index fell to 46.9 from 48.0 in September.

China's exports unexpectedly kicked into higher gear in September, largely as firms front-loaded shipments to dodge stiffer US duties, though analysts see pressure building in coming months. The continued slump in export orders may be bearing that scenario out.

October is the first full month after the latest US tariffs went into effect. Washington and Beijing slapped additional tariffs on each other's goods on Sept. 24, and US President Donald Trump has threatened to hit China with more duties.

China's economy grew at its weakest pace since the global financial crisis in the third quarter, as manufacturing output and infrastructure investment slowed. Analysts believe business conditions will get worse before getting better.

Firms are already facing pressure on earnings. A survey over the weekend showed profit growth at the country's industrial powerhouses cooled for the fifth consecutive month in September on the back of a greater slowdown in production and sales.

China's manufacturing sector has been squeezed by a reduction in sources of credit amid Beijing's multi-year crackdown on corporate debt and risky lending practices, with smaller firms especially under strain. Premier Li Keqiang said last month that the country's economy faces increasing downward pressure, and pledged to take targeted measures to prevent large fluctuations in growth.

Policymakers have already shifted their priorities to reducing risks to growth. Earlier this month China's central bank announced the fourth reserve requirement ratio (RRR) cut for this year, and is expected to ease monetary policy further.

It is also stepping up moves to lower financing costs and pledged more support to private firms, a key source of jobs. On the fiscal side the government is also stepping up stimulus through infrastructure projects, and has also pledged more tax cuts next year to support growth.

Another sister survey released by the NBS on Wednesday showed growth in China's service sector moderated in September, with the official non-manufacturing Purchasing Managers' Index (PMI) dipping to 53.9 from 54.2 the previous month.

Sourcethehindubusinessline.com- Oct 31, 2018

HOME

****

Australian companies are still betting on China despite the US trade war

Australian enthusiasm for free trade has not been dampened by US-China trade tensions, according to research by HSBC.

Local companies are optimistic about international trade opportunities, with 89% in Australia positive about the current environment compared to a global average of 78%.

"Australia's ever-increasing linkages with the Asia-Pacific region appear to be bolstering local trade confidence, as is the prospect of a Free Trade Agreement (FTA) with the European Union," says Steve Hughes, Head of Commercial Banking, HSBC Australia.

"Strong trade ties, underpinned by existing and future FTAs, continue to support Australia's economy and reinforce the importance of trade liberalisation efforts."

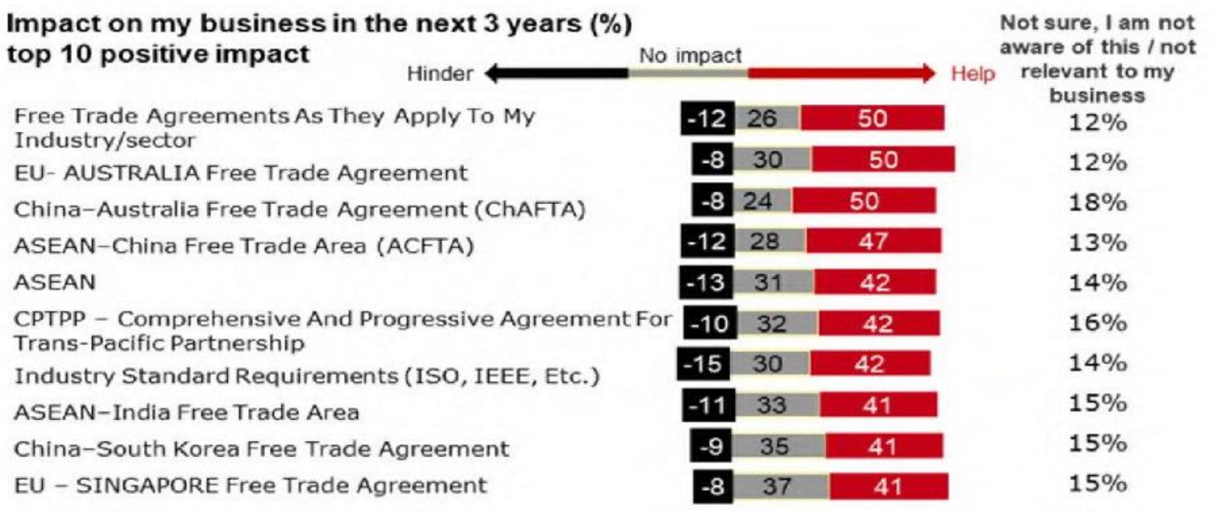
The HSBC Navigator survey shows China is considered the top growth market for Australian firms over the next three to five years.

And there's been an increase in the number of companies turning to Japan for growth.

"This underscores the benefits of increased access for Australian goods and services under the Japan-Australian Economic Partnership Agreement (JAEPA), which cut tariffs for the fifth time earlier this year, and the CPTPP that will build on these outcomes," says Hughes.

JAEPA has offered preferential or duty free access to more than 98% of Australian exports, including the elimination of tariffs on horticulture, such as fresh mangoes and berries.

Under ChAFTA (China-Australia Free Trade Agreement), 98.5% of Australian goods enter China duty free or under preferential rates and China is the top destination for Australian service exports, valued at $15.8 billion.



Australia's trade ties in the Asia Pacific will be reinforced by the potential signing of the Indonesia-Australia Comprehensive Economic Partnership Agreement, which will give business greater access to a country that is forecast to be the world's fifth largest economy by 2030.

Half of Australian firms surveyed are optimistic that the trade deal under negotiation with Europe will have a positive impact on their businesses by broadening their trading opportunities outside the Asia Pacific region.

"Although not geographically close, the EU and Australia share similar policy orientations,business cultures, high standards for labour and the environment," says Hughes. "An agreement between these two economies could see an uplift in exports from the EU's machinery, automotive and textiles sectors, and a dramatic increase in exports of beef and sheep meat from Australia to the bloc."

The HSBC Navigator survey is compiled from responses by decision-makers at over 8,650 businesses – from small and mid-market to large corporations in 34 markets. 200 businesses were surveyed in Australia.

Source: businessinsider.com.au- Oct 31, 2018

HOME

****

Yoga Pants Built a $48 Billion Industry That's Replacing Jeans

The first pairs of yoga pants Lululemon sold in 1998 were a simple item for women to wear at the studio. They were a mix of nylon and Lycra—synthetic elastic fibers that provided the stretch and softness needed to manage all those sweat-inducing contortions during a lengthy session on the mat.

Yoga, first as an exercise and later as a cultural phenomenon (or cliché, depending on your cynicism), had yet to take hold. At the turn of the century, the pants filled a niche for yogis who were simply looking for a higher-end alternative to plain cotton leggings.

Two decades later, they've conquered the closet, even for people who never see the inside of a yoga studio. In 2014, teenagers began to prefer leggings over jeans. Then people started wearing athletic clothing (or athleisure, but it's mostly just yoga pants) to run errands. Now they're wearing yoga pants to the office. U.S. imports of women's elastic knit pants last year surpassed those of jeans for the first time ever, according to the U.S. Census Bureau.

Fashion trends seesaw constantly, but rarely does an entire category shift. Over four decades, rubber-soled sneakers gave way to basketball shoes, which in turn fell to trainers. Boxer briefs didn't exist 25 years ago—drawers were still filled with plain old briefs.

But now the hybrid is America's most popular men's underwear. Yoga pants have similarly managed to plunge denim into an existential crisis, threatening Levi Strauss & Co. so deeply that it had to scramble to adapt. The company added stretch and contouring to its jeans while hoping to retain some of their rugged essence.

The popularity of yoga pants has, predictably, led to a flood of competitors as brands fill every market segment, from Old Navy's $20 pants to Lucas Hugh's $230 versions. Lululemon Athletica Inc., largely credited with bringing stretchy pants to the masses, has poured money into developing new fabrics to fend off rivals—a pack that now includes the world's biggest athletics companies.

"Consumers expect a lot more," said Sun Choe, chief product officer at Lululemon. "They're washing their garments more and more, and from a quality standpoint, it needs to stand up. They're expecting some versatility in their product. They expect to be able to wear that pant or tight to Whole Foods or brunch."

Lululemon's original fabric, Luon, with a high proportion of nylon microfiber as opposed to a more typical polyester blend, was trademarked in the U.S. in 2005. Many of its newer fabrics are branded and geared toward specific uses. Luxtreme is a moisture-wicking, four-way stretch fabric that's meant to fit like a second skin. Nulux is a compression fabric meant for sweatier workouts. Silverescent is sold as Lululemon's "stink-conquering technology," using silver bonded to the surface of fibers to stop bacteria from reproducing. A T-shirt made from the material costs $68.

Leggings from market competitors use a similar strategy, promoting the versatile pants through branded fabric combinations. For Adidas, pants boast fabrics like its sweat-wicking Climalite material or the thermal-regulating Climacool and Climawarm to accommodate training conditions. Likewise, Nike's Dri-Fit material keeps sweat at bay and trainers dry. Even Target's C9-branded fitness collection flexes high-functioning fabrics: Freedom Fabric is a soft blend of polyester and spandex for lifestyle or fitness, while its Embrace Fabric hugs tight to the body for a cozy feel.

What was once a simple stretchy legging, it seems, has become an engineering marvel. Not too surprising, though, when you realize that about $48 billion is being spent on activewear in the U.S. every year.

The story of a breakthrough product made by an upstart company that gets swallowed or crushed by America's corporate behemoths is an old one. Lululemon is dead set on not letting that happen this time.

Tucked away in the basement of its Vancouver headquarters is a lab called Whitespace, the retailer's research and development skunkworks. Here a team of about 50 employees works to come up with the brand's next big idea. It's developed lightweight seamless bras and made yoga pants with repurposed yarn combinations normally used in lingerie. The staff isn't made up of just textile workers tasked with making new fabrics. It includes scientists as well as physiologists, mechanical engineers, neuroscientists and biomechanists.

Dr. Tom Waller, a sports technology Ph.D. whose work has been tested in everything from Olympic swimming to soccer's World Cup, runs Whitespace. When it first opened six years ago, the R&D center was intended to explore what the company calls the "science of feel" and to better understand sensory experiences. "The mission at the time was to take some of our talent a little further into the future to explore human behavior and the macro trends shifting around us," he said.

Yoga pants are tangible, but Waller aspires to the ethereal. He speaks of sweat as currency and using technology to unlock human potential. He talks about the "spectrum of sensory experience and desires" when describing the different kinds of fabrics Lululemon sells. "We unpack the physical, emotional and mental components of what it is to be human," said Waller, "and then we drive the difference experiences of the sensory."

"You have to be doing something pretty wrong to not have success in this type of product."

Alexandra Plante, director of innovation management at Whitespace, is responsible for taking what she calls "duct tape prototypes" and turning them into actual products. With a background in materials engineering, she delves into fabrics, yarns and polymers.

Years ago, research was limited to focus groups and feedback from store associates who would query their shoppers. Now there are fabric labs, especially in the athletic-wear space. Lululemon's research arm does motion-capture testing and uses pressure sensors that allow researchers to test how garments work as they move. The team can even test "hand feel" to help it figure out how to "engineer sensations" for that critical commercial moment when you feel the fabric for the first time, said Plante.

Back when Lululemon sold nothing but Luon, the company saw customers using the pants for all sorts of workouts, including high-intensity training the fabric was never meant for. So after R&D identified how consumers wore them, and for what, Lululemon developed material specific to each activity—hence the creation of pants for runners or dancers. Even Luon itself, the company's original fabric, is different from what it was 20 years ago after years of tweaks and integration of new tech.

This watch-and-learn strategy became a virtuous circle, one that helped the craze turn into a full-on commercial earthquake.

Mistakes have been made, including one that was inherently—and spectacularly—calamitous. In 2013, Lululemon recalled pants for being too sheer, attributing the see-through problem to a manufacturing error. The subsequent destruction of the pants resulted in a loss of $67 million in sales. Choe said that problem has since been solved.

Now that it has a spectrum of products suited for most every movement, Lululemon has opened a pair of stores for those customers interested in still-experimental items. One of them, located in downtown Manhattan (the other is in Vancouver), looks more like a fashion boutique than a place to buy gear for the gym or yoga studio.

Yoga, as you might know, had been doing just fine for thousands of years without a stretchy uniform. The rise of yoga pants owes a lot to simple timing. Lululemon appeared on the scene at the tail end of the (perhaps unfortunate) leggings revolution, right about the time longer-term trends were leaning toward more casual dress.

The practice of yoga, a trifecta of physical, mental and spiritual disciplines involving specific postures and movements with origins in ancient India, was first popularized as an exercise system in the West in the 1980s. It dropped off for a while, only to return more commercialized than ever in the early 2000s.

A 2016 study from Yoga Journal found that more than 36 million people in the U.S. practice yoga, up from about 16 million eight years ago. Boutique fitness followed, as women (and more than a few men) flocked to sparkling new studios to work out in groups for SoulCycle spin classes, sweat at Barry's Bootcamp or sculpt their cores at Pure Barre. None of these expensive fads has anything to do with yoga in practice, but yoga clearly blazed a trail for them—and the clothing their adherents wear.

The biggest businesses now in the athletic wear space have invested heavily in growing their womenswear lines—especially in developing new fabrics and features for the once-simple yoga pant. In 2014, Nike Inc. began working toward a $7 billion sales target for its women's business, reporting almost $5 billion in revenue.

Executives realized women were "driving a larger global movement of health and fitness." A year later, the company reported that the global growth for women's business was outpacing that of men. That same year, Adidas AG began directing its youth brand, Neo, toward younger women. The German sports giant even brought on former Lululemon Chief Executive Officer Christine Day as a strategic adviser.

Adidas quickly became a formidable threat to Lululemon's dominance. Early steps turned into exclusive designs for women through the PureBoost X line, leading to an even larger emphasis on active tops and bottoms, using technology called Climachill and Techfit, both focused on women's training. Last year, women's sales for Adidas grew by 28 percent, making it one of the company's strongest segments.

Active bottoms and leggings are now a $1 billion industry, according to NPD Group analyst Marshal Cohen. Their appeal to consumers has yielded rapid sales growth that shows no sign of going away, he said. Where Lululemon found success with female consumers by providing a niche product that could satisfy casual and active uses, major brands such as Adidas and Nike completed the picture, confirming just how strong the athleisure trend could be.

These days, there are more than 11,000 kinds of yoga-specific pants available at retailers worldwide, according to data from retail research firm Edited, across both men's and women's apparel.

"Now that this easy-to-fit, easy-to-find, easy-to-wear, easy-to-care-for product has emerged as a fashionable product at the same time, you've got the perfect storm," Cohen said. "You have to be doing something pretty wrong to not have success in this type of product."

Source: sourcingjournal.com- Oct 31, 2018

HOME

****

Istanbul Yarn Fair opens in February 2019

Istanbul Yarn Fair will be held from February 28 to March 2, 2019. This event showcases products like knitted fabrics, cotton yarns, cotton blended yarns etc. in the textile, fabrics and yarns industry.

It is a platform where professional visitors, buyer groups and investors from Eurasia and Africa will meet and exchange information.

This is the world's second biggest yarn fair. It brings together the international textile industry. It hosts participants and visitors from various countries to become a sales and marketing platform that shapes the international yarn trade and textile production.

The fair is the most important commercial gathering of the international yarn industry. It stands out as an opportunity not to be missed for yarn companies that want to access new markets.

Turkey is a major yarn manufacturer. Istanbul Yarn Fair allows the formation of new distribution channels while increasing the export opportunities of the yarn industry in Turkey.

As a reflection of the Turkish yarn industry, Istanbul Yarn Fair is opening up new markets in parallel with the growth trend.

The fair aims to create new export and import opportunities for the industry. Among the fabric manufacturers are those of knitted fabrics, tricot, underwear, hosiery, blankets, denims, home textile, carpets, yarns, technical and military textiles.

Source: fashionatingworld.com- Oct 31, 2018

HOME

****

German retail sales suffer sharpest fall in more than five years

German annual retail sales fell sharply in September, confounding economists' expectations for an increase, data showed on Wednesday, adding to signs that the long boom in Europe's largest economy may be drifting to a close.

Spending by German shoppers fell by an adjusted 2.6 percent in September compared to the year before, data from the Federal Statistics Office showed. That was its sharpest drop since June 2013 and compared with a forecast for growth of 0.9 percent.

The steep drop comes after years of rising employment, which drove a consumer boom that sustained the economy even at times when global demand for Germany's exports slackened. More recently, an uptick in inflation pointed to turbulence ahead.

Retail sales are a volatile indicator often subject to revision.

Somewhat moderating the bleak figures, statisticians said the fall was partly attributable to retail sales in September 2017 having been unusually strong. Last September also had one more shopping day than this year's.

Signs of belt-tightening were particularly clear in the textiles and clothing sectors, where a real fall of 9.6 percent was recorded. Sales of food, drink and tobacco dropped 3 percent.

Source: euronews.com- Oct 31, 2018

HOME

****

Vietnam: Top brands to take part in textile expos

Technologies, equipment, products, and services used in the textile and garment industry will be displayed at the Vietnam International Textile and Garment Industry Exhibition and the Vietnam International Textile and Apparel Accessories Exhibition to be held in HCM City from November 21 to 24.

They will have more than 400 exhibitors, including 100 top brands from 11 countries and territories including China, Germany, Hong Kong, India, Japan, the Republic of Korea, Malaysia, Portugal, Taiwan, Turkey, and Vietnam.

Famous brands like Bao Lun, Richpeace, Tajima, and ZSK will display their latest embroidery machines and Heinz Walz, Epson, Grafica, and Sulfet their printing machines.

Beworth and Silk Road will have their latest flat knitting machines and Maika will present a textile CAD system. There will be Japanese sewing machines brands like Brother, Hikari, Juki, and Yamato.

Several seminars will be hosted on topics ranging from strategies to practical solutions to develop the textile and garment industry.

They will be organised by Vinexad National Trade Fair & Advertising J.S.C., Yorkers Trade & Marketing Service Co., Ltd., Guangdong Sewing Equipment Chamber Commerce and Paper Communication Exhibition Services, and the Hong Kong Apparel Machinery Association.

They will be held concurrently with the Vietnam International Footwear Machinery and Material Exhibition (VFM) and the 8th Asia International Dye Industry, Pigments and Textile Chemicals Exhibition (InterDye Asia 2018).

VFM will introduce injection machines; footwear, artificial leather, handbag, suitcase, and shoe knitting machinery; CAD/CAM systems; and footwear materials representing a wide selection of components in the footwear value chain.

It will be organised by the Guangdong Shoe-Making Machinery Association, Vinexad, Yorkers Trade & Marketing Service Co., Ltd., and Paper Communication Exhibition Services.

InterDye Asia 2018 will exhibit dyestuffs; intermediates; organic pigments; textile chemicals; equipment for related production; analysis, inspection, testing, monitoring, dyeing, and printing equipment; printing materials; graphic arts; paper; paints; wallpapers; and lacquers.

The co-location of the four events under one roof will introduce alternative choices of advanced manufacturing equipment, technology and relative supporting system to local entrepreneurs.

According to the organisers, garment and textile and footwear industries are two major export earners of Vietnam.

The industries have great potential for further development thanks to Vietnam's participation in many FTAs and advantages in terms of manufacturing and labour.

They will be held at the Saigon Exhibition and Convention Centre in District 7.

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

HOME

****

Why is cotton not higher already?

Cotton marketing waiting on India, USDA, loss figures from Southeast and Southwest.

The cotton market is waiting to move higher.

O.A. Cleveland, professor emeritus, Mississippi State University, expects cotton to move into the 80s, but the market first needs to see:

What happens in India,
What the Southeast crop will make, and
How much the recent freeze affected Texas yield and quality.

Cleveland expects prices to move to 82, maybe 83 cents a pound. “I have some friends who think it will get to 85 or 86 cents,” he says. “I don’t think it will get quite that high.”

He says USDA is predicting “a little bigger U.S. cotton crop than we thought.” And the numbers from India remain to be tallied. “India is the world’s largest or second largest cotton producer,” Cleveland adds. He says USDA lags, “purposely,” on determining India’s production numbers.

The India Question

“I think the market will go higher when India’s numbers are in.” He expects those numbers to be about 1 million bales lower. “That’s a big cut, and some analysts expect even more.”

India has had production problem this season, including pink bollworms. “They had them last year and didn’t know what they were at first,” Cleveland says. “They have them again this year.”

The market has been a bit erratic of late. “It went up 200 points last Friday (Oct. 19), and today (Oct. 23) it’s down.”

He says movements in the stock market have some effect. “Friday, the market hinted that it wanted to go higher.”

He says the U.S. cotton market has lost quality. “We had a good quality crop coming along,” he says, “3 to 4 million bales of middling, strong fiber cotton.”

An early freeze in the Texas High Plains, Cleveland says, may not affect yield much but it will hurt quality.

The world’s mills are looking for quality. “Korea is the first buyer in,” Cleveland says. “They are buying middling and 36 and 37.

“The world is trying to figure out what kind of cotton quality we have. The Texas cotton is wet; the Southeast crop is wet, and we have a lot of the crop that is out but still waiting in modules to be picked up. I have never seen so much cotton waiting in the fields in the Mid-South.”

He says a lack of gin capacity also creates backlogs.

Tariff Effect

The retaliatory tariffs have kept a lid on cotton prices, too, Cleveland says. “Tariffs cut off sales to China in the short run. Mills had been more aggressive buying but have backed off with the tariffs in place.

“I think we will be well-served by the tariff in the long run,” he adds, but for now it’s a drag on the market.

He says merchants will be looking to see how they can find quality cotton to send to mills.

Cleveland says USDA production figures indicate a 19.6 million bale U.S. cotton crop. But that figure likely moves down as hurricane losses in the Southeast become clearer. Georgia crop loss to Hurricane Michael looks to bring the figure to 19.2 milion or 19.3 million bales. “If we lose production in Texas, it could be 19 million,” Cleveland says.

“I think we will get back into the 80-cent range,” Cleveland says. “I’d like to see it go higher than 85 or 86, but I think 82 and 83 are more likely.”

The market waits.

Source: deltafarmpress.cn- Oct 30, 2018

HOME

****

Pakistan's export potential too low to sign an FTA with Thailand

Pakistan proves to be inefficient when its export potential is compared with Thailand, which is why it may be unfavourable for the country to seek a free trade agreement (FTA) with Thailand.

Trade potential is an economic concept that allows us to identify the scale and scope of increasing bilateral trade. It seeks to measure the prospective trade that can exist between the two countries, if the trade is completely frictionless between them.

Pakistan's export potential for any product to be exported to Thailand is calculated by subtracting its actual exports for a particular product to Thailand from the minimum of its exports to the world or from Thailand's imports of the same product from other parts of the world.

On the other hand, the import potential is calculated by subtracting Pakistan's actual import from Thailand from the minimum of Pakistan's imports from the world and Thailand's exports to the world for that product.

In short, the assessment of trade potential helps understand the benefits or limitations of bilateral trade between countries with either preferential or free trade agreements.

Samir Amir, who led the Pakistan Business Council (PBC)'s comprehensive review of the proposed FTA with Thailand, said an FTA with Thailand will not go in favour of Pakistan.

While explaining Pakistan's export and import potential with Thailand, Amir said Pakistan's export potential was very low, while import potential is very high, which means Pakistan has a potential to buy more from Thailand than it is able to sell.

According to the research study, in 2017 the 25 high potential exports from Pakistan, at HS-06 level, had an additional potential of $1.39 billion of exports to Thailand as compared to the current exports of only $21.84 million for these 25 high potential items.

In the case of Thailand, for its top 25 high potential exports, the ASEAN country had a potential to export items worth an additional $6.26 billion to Pakistan. In 2017, exports of these 25 high potential items were worth $133.99 million.

"This report follows our country reports on Africa, Central Asia and Latin America. We will do eight reports on Asia, of which this is the first," said PBC CEO Ehsan Malik.

"Thailand enjoys a trade surplus of over $1.2 billion with Pakistan. Its exports have been growing, while ours exports are flat," he said, adding, "Our previous review of a possible FTA with Thailand also concluded that it was not desirable. We don't have the capability of meeting what Thailand needs."

"On the other hand, Thailand is ambitious to penetrate the automobile, auto parts etc sectors, which are all nascent industries in Pakistan and need time to build scale being poised against established countries like Thailand," he explained.

Thailand had an all-time high trade surplus of $1.25 billion with Pakistan – with exports of $1.4 billion against imports of $148.32 million in 2017. Such a huge difference is due to diversity in product mix.

Thailand being a technologically advanced country exports vehicles, auto-parts, chemicals, and machinery and electrical appliances to Pakistan against imports of fish, paper products, cotton and textile articles.

Source: tribune.com.pk- Oct 31, 2018

HOME

****

NATIONAL NEWS

Modi brings sops to small business, to unveil MSME package; these benefits on cards

In an outreach to micro, small and medium enterprises (MSMEs), Prime Minister Narendra Modi will likely unveil a package on Friday for these units, including an enhanced interest subsidy of 5% on export credit. The Centre could also make it mandatory for central public sector enterprises (CPSEs)/agencies to purchase 25% of their annual procurement from medium and small enterprises (MSEs).

Currently, the interest subsidy to MSMEs on pre- and post-shipment export credit is 3% and mandatory procurement by CPSEs from MSEs is 20%. As FE had reported earlier, the package would also include a system under which banks will release 90% of these firms' receivables on the basis of receipts of purchases from their clientele among CPSE/state-run undertakings to alleviate their tight liquidity position.

The Centre's "credit plus services" are aimed at helping MSMEs meet their working capital requirements, improve their market access and access to cheaper credit. Demonetisation and GST had hit the MSME sector hard and resulted in job losses, a fact the ruling dispensation is concerned about and is keen to address quickly, given its electoral ramifications.

According to a recent Reserve Bank of India study, contractual labour in both the wearing apparel and gems & jewellery sectors suffered as payments from employers became constrained after demonetisation. Similarly, the introduction of GST led to increase in compliance costs and other operating costs for MSMEs as most of them were brought into the tax net, the central bank noted.

Concerned over the decline in exports, the government had announced a 3% interest subsidy scheme in November 2015 for exporters to make the labour-intensive exports sector globally competitive.

The scheme with annual budget allocation of `2,500 crore was made available to all exports of MSMEs, and 416 tariff lines, but not to merchant exporters.

Under the scheme, exporters get loans at affordable rates, which helps them ship more goods to foreign markets. With MSMEs contributing nearly half of India's exports, the proposal to enhance interest subsidy assumes importance in the wake of recent decline in exports.

However, there are some concerns with regard to enhancing mandatory procurement from MSEs when it is difficult for many CPSEs even to meet the current 20% norm, an official said. While on an aggregate, the CPSEs meet the 20% procurement requirement, many are not able to meet the norm, at times due to the nature of business that may not involve MSEs. CPSEs' annual procurement is about `1.5 lakh crore.

The MSME package could also include initiatives to increase access to technology, training and some relief on taxation side as well, sources said. MSMEs are the backbone of the Indian economy, contributing nearly 30% of the gross domestic product. MSMEs are also the largest employers, next only to agriculture. Over 6 crore such units provided employment to about 11 crore people (NSSO, 2016).

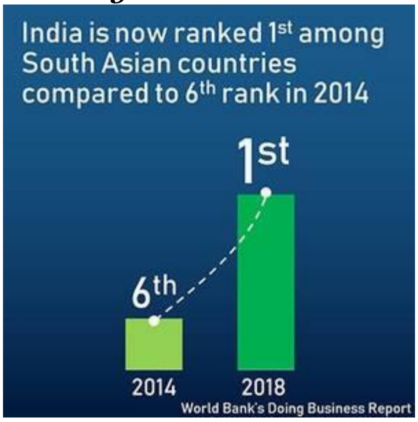
Source: financialexpress.com- Nov 01, 2018

HOME

****

India vaults 23 rungs to grab 77th spot in 'ease of doing biz'

World Bank report sees improvement in construction permits, border trading



India has moved up 23 rungs to grab the 77th spot among 190 countries in the World Bank's Ease of Doing Business global index announced on Wednesday.

This is the second successive year that the country has vaulted up the keenly watched ranking. Last year, it had shot up 30 positions to make it into the league of the top 100 countries.

"India has been recognised among the top ten improvers for the second consecutive year," said Ramesh Abhishek, Secretary, Department of Industrial Policy & Promotion, while giving a presentation on the World

Bank's Doing Business report for 2019. India is now the highest-ranked country in South Asia.

Finance Minister Arun Jaitley said the Prime Minister's vision that India should figure in the top 50 is eminently realisable.

China's performance was even better: it moved 30 spots to 46th place. While India's steady improvement reflects an improvement in the business environment, it's worth nothing that it is based on feedback from just Delhi and Mumbai.

The top three this year are New Zealand, Singapore and Denmark, which retain their first, second and third spots, followed by Hong Kong, South Korea, Georgia, Norway, the US, the UK and FYR Macedonia.

Hits and misses

The top area of improvement for India was in dealing with construction permits (its ranking improved to 52 from 181), followed by trading across borders (ranked 80th this year from 146). While the third-biggest improvement in ranking was in the area of starting a business, it is still at 137th place, from 156th last year.

India's performances in getting credit, getting electricity and enforcing contracts also improved.

On four counts — paying taxes, resolving insolvency, enforcing contracts and protecting minority investors — India made little improvement.

The government, however, is positive of improvement in all four areas next year. "While GST implementation has been acknowledged, only partial impact has been taken into account.

But improvement is expected to be factored next year," Abhishek said commenting on the area of paying taxes. Ranking in resolving insolvency is expected to improve as more insolvent companies opt for reorganisation rather than insolvency, dedicated commercial courts would result in better enforcement of contracts while digitisation would ease process of property registration, he added.

Source: thehindubusinessline.com- Oct 31, 2018

HOME

****

USDA arm sees India 2018-19 cotton crop down 2% at 36.5 mln bales

The US Department of Agriculture's Foreign Agricultural Service has projected India's cotton production in 2018-19 (Aug-Jul) at 36.5 mln bales, down nearly 2% from the previous year and 200,000 bales lower than the official USDA estimate.

The USDA arm has estimated the country's cotton output in 2017-18 at 37.2 mln bales, where one Indian bale equals 170 kg. Dry weather in the key growing regions of Gujarat and Maharashtra have hampered crop development and will likely to affect yields of standing crop, the agency said in its report for September.

All-India yields for cotton are now forecast at 502 kg per ha, down 1% compared to the previous year. Gujarat is the largest producer of cotton, followed by Maharashtra.

Deficit rainfall and humid conditions have led to the emergence of various pests. However, according to the latest crop survey, all incidence of pests are below economic threshold level, the report said.

The US agency has estimated opening stock of cotton for 2018-19 at 15.6 mln bales, higher than the opening stock of 14.3 mln bales in 2017-18. Imports have been estimated at 1.9 mln bales in 2018-19, compared with 2.2 mln bales in the previous year.

On the demand side, consumption by mills in 2018-19 is seen at 32.1 mln bales, slightly higher from 31.4 bales a year earlier. Exports are seen falling to 5.5 mln bales from 6.7 mln bales in 2017-18.

Considering consumption and exports, the closing stock at the end of 2018-19 is pegged at 16.6 mln bales, up from 15.6 mln bales the previous year.

Source: cogencis.com- Oct 31, 2018

HOME

****

DP World, NIIF win bid to build Free Trade Warehousing Zone at JNPT Mumbai for $78 mn

Global port operator DP World on Wednesday said its joint venture (JV) with NIIF has won the bid to build a Free Trade Warehousing Zone at JNPT Mumbai for $78 million.

The facility is expected to be operational by 2020.

“Hindustan Infralog Private Ltd (HIPL), a joint venture between DP World (65 per cent) and the National Investment and Infrastructure Fund (NIIF) (35 per cent), has won the bid to develop and operate the Free Trade Warehousing Zone (FTWZ) at India’s largest container gateway - Jawaharlal Nehru Port Trust (JNPT) for $78 million,” DP World said in a statement.

It said HIPL is the recently created investment vehicle between DP World and NIIF to invest up to $3 billion in ports, logistics and related sectors across the country.

This is the second investment for HIPL following the acquisition of a 90 per cent stake in multi-modal logistics company Continental Warehousing Corporation (Nhava Sheva) Ltd.

“The FTWZ comes with a long-term concession of 60 years and will be developed across 18 hectares at JNPT’s Special Economic Zone (SEZ). JNPT is a key gateway hub handling approximately 5 million TEU’s per annum which equates to 33 per cent of the India’s container traffic,” it said.

The FTWZ’s strategic proximity to the port and the upcoming Navi Mumbai International Airport and western dedicated freight corridor, gives it direct access to global and domestic markets.

This will offer long-term advantages to domestic/global traders and manufacturers by facilitating a reliable and swift flow of cargo and improving effectiveness of the supply chain, it said.

The statement said it will position India as a global trading hub and further support the government’s ‘Make in India’ campaign.

Sultan Ahmed Bin Sulayem, Group Chairman and CEO, DP World, said, "We are delighted to have won this long-term concession to develop the Free Trade Warehousing Zone in such a strategic location.

DP World has a proven track-record in developing trade-zones and HIPL will aim to leverage on our global expertise to build out this much needed-capacity to support India's fast-growing export-import trade."

DP World has a portfolio of 78 operating marine and inland terminals supported by over 50 related businesses in over 40 countries across six continents.

Source: thehindubusinessline.com- Oct 31, 2018

HOME

****

India all set to increase global trade share: Suresh Prabhu

During the World Trade Expo 2018 in Mumbai, Suresh Prabhu, Minister of Commerce & Industry and Civil Aviation, said that the country is poised to increase its share in global trade. He added that India's exports are growing at 15-16 percent.

Prabhu revealed, "In 2017-18, India's exports recovered and started growing at 9 per cent after declining for several years." He expressed contentment over increase in export. "I am happy to share that the recovery of India's exports has started during my tenure as the Minister of Commerce." He addressed a gathering through a video message at the World Trade Expo 2018 organised by World Trade Centre Mumbai and All India Association of Industries. In the current year, India's exports are growing at 15-16 per cent, despite small blip in September.

Prabhu also revealed the strategy of his ministry. "The Ministry of Commerce has also prepared a strategy for champion sectors in services to promote exports. As part of the strategy, 12 champion sectors have been identified with an export potential of Rs 5,000 crore." This will strengthen India's services sector exports. The commerce ministry has already prepared and cleared the agriculture exports policy which will soon be cleared by the Cabinet too. Also, policies for various territories and regions have been formulated.

The ministry is holding meetings with its counter-parts in African countries, where India's export share is around 8 per cent. Similar talks are on with Latin America. The Indian government is also identifying potential new markets in Central Asia. Rajan Sudesh Ratna, Economic Affairs Officer, Trade, Investment and Innovation Division, UNESCAP, who also attended the function, said, "India's share in world trade is hardly 2.15 per cent, which is far less than its contribution of 3.21 per cent to world GDP."

He stated that India has signed multiple trade agreements with some countries. "These complex agreements make it difficult for Indian exporters to understand the duty benefits, concessions and eligibility conditions to avail these benefits." While on day two of the expo, Maharashtra tourism minister Jaykumar Rawal emphasised on the need for tourism. He added, "The new tourism policy will generate 10 lakh jobs." He strongly believes that trade and tourism will increase women participation in the country.

Source: freepressjournal.in.com- Oct 31, 2018

HOME

****

AEPC organises the Fabric Unit to commemorate the Indian Textiles Industry

AEPC, to mark the unveiling of the 'Statue of Unity' in Gujarat on October 31, 2018, organised the 'Fabric of Unity", an event to commemorate the Indian textiles industry. Smriti Zubin Irani, Union Minister of Textiles, Government of India graced the event attended by EC Members of AEPC, Officials from Ministry of Textiles and senior representatives from the textiles councils and associations, representatives from brands, ETI, ATDC students, NGOs working in this sector.

Speaking at the event HKL Magu, Chairman, AEPC said "Indian textiles have played an important role in the Indian freedomAEPC organises the Fabric Unit to commemorate the Indian Textiles Industry 001 movement and what can be a better example of Unity in diversity than the Indian textile heritage. The Fabric of Unity is an event to celebrate this. This year happens to be AEPC's 40th year of service for promoting apparel exports around the world. We feel proud to be working on some very important initiatives to promote inclusion and sustainable apparel eco system. "

Smriti Zubin Irani, Minister of Textiles said, "AEPC has organised this Fabric of Unity event in which industry, workers, and volunteers took the pledge to work for the betterment of the nation.

In continuation to this spirit of the Unity Pledge - to contribute to the nation building as an unified entity, AEPC can take this concept of Fabric of Unity forward by showcasing the rich history of the diverse fabric and textiles traditions of India at AEPC premises. "

Encouraging skilled workers into the organised sector

Irani revealed that Prime Minister, Narendra Modi has gifted a package of Rs. 6,000 crore especially to the textile and apparel council AEPC with a desire to encourage the skilled workers and people into organised sector. He also wished the Indian textile Industry to bring about newer heights in the world economy.

Irani hoped that AEPC will work hard towards achieving this target. She also requested to extend the concept of Fabric of AEPC organises the Fabric Unit to commemorate the Indian Textiles Industry 003Unity to every office of AEPC and every member of AEPC, "only then can we bring Sardar Ballabh Bhai Patel's dream come true. Patel formulated solutions one by one, weaving the warp and weft of unity on the axis of a single thread," she said.

Source: fashionatingworld.com- Oct 31, 2018

HOME

****

Indian apparel industry plagued by volatile prices, fabric-sourcing challenges

Fabric sourcing, till a few years ago, was one of the most challenging tasks. But increasing options of fabric sourcing, advanced technologies and awareness about quality have improved the conditions for fabric sourcing; though some challenges still prevail and industry continues to struggle with those issues.

The procurement of synthetic fabrics or yarns is more of a concern than cotton yarn or fabric. There are some yarns or blends that are not available in India, like Cashmere in wool.

Additionally the man-made fibre sector attracts a lot of duties which increases the costs of these fiber manufacturers. Local Indian producers then often quote high and unexplained prices. Import duties on fabrics, is another cause of concern as it increases the price of fabrics; especially linen and imported silk.

Need to control price volatility

Garment manufacturers using cotton fabric are almost helpless when it comes to price volatility as prices increase anytime Indian apparel industry plagued by volatile prices fabric sourcing challenges 001without any strong and valid reason.

Though in past 10 years, situation in sourcing of Indian fabric has improved, the main challenge of sourcing cotton and cotton blends yarn still exist like before.

When prices of yarn increase, suppliers prefer to deliver it at current rate to gain extra profits though they are supposed to deliver it first to the buyer to whom he has already agreed upon earlier at lower prices. Such issues need to be addressed as they not only delay fabric development but also the overall efficiency of the business.

Low fabric quality a bane

As for quality, apart from good vendors, fair price, strong check, trial runs are being adopted by many apparel manufacturers. However, whenever there is a tilt towards cotton export, yarn manufacturers or suppliers increase prices without any reason.

There is no way to control illogical price hiking. Some exporters see it as market dynamics and manage accordingly. Chinese or imported fabric quality is better.

Most buyers approve Indian fabric as there is no other viable option and prices of Indian fabrics are a little lower. Therefore, Indian companies need to adopt similar advanced infrastructure like China.

Source: fashionatingworld.com- Oct 31, 2018

HOME

****

A productive journey

But the GST Council still has more work ahead

On October 28, the Finance Ministry came out with a press release — 'Goods and Services Tax Council – the journey so far'. The release highlighted some pretty impressive statistics.

Till date, the GST Council has taken 918 decisions related to GST laws, rules, rates, compensation and taxation threshold.

More than 96 per cent of the decisions have already been implemented through 294 Notifications issued by the Central Government and the remaining are under various stages of implementation. Almost an equal number of corresponding SGST Notifications have been issued by each State.

The GST Council Members, under the chairmanship of the Finance Minister, have spent long hours discussing the broad contours as well as the nitty-gritty of the new GST regime in a harmonious and collaborative spirit. Till now, 30 GST Council meetings have taken place.

Detailed agenda notes were prepared before every GST Council meeting and discussed in the preparatory officer's meeting to enable the council members to fully appreciate the issues under consideration.

The detailed agenda notes for the 30 GST Council meetings ran into 4,730 pages. The discussions in the GST Council were very detailed, reflecting the collective wisdom of the council and this has been captured exhaustively in the minutes of the 30 council meetings running into 1,394 pages.

The press release concludes by stating that the working of the GST Council has ushered in a new phase of cooperative federalism.

The press release has obviously been issued to sensitise the taxpayer about how much hard work has gone into the framing of the GST laws — a fact that has to be appreciated.

However, one expected a press release from the Finance Ministry on GST to devote a few lines to revenues as well.

What about revenues?

Every month, a new figure that fluctuates between ₹90,000 crore and ₹1 lakh crore on an average is mentioned as revenues. Just giving out this number doesn’t help.

Those concerned with GST would like to know how these numbers match up against the targeted revenues. It is widely believed that ₹1.10 lakh crore per month was the GST revenue target.

If this is indeed correct, the taxpayer would be worried that government would try to make good the shortfall either by raising GST rates or by enforcing collection. The former is an ill-advised move in a pre-election year while the latter is a no-no because the officers enforcing collection would not know how much to collect as GST laws are still evolving.

If both these avenues are eliminated, the government would have no option but to tap further into other sources such as income tax to make up for the shortfall in GST revenues. With more than two dozen participants, the decisions taken by the GST Council could certainly not have been unanimous.

The council should also summarise any objections that State government representatives or others may have had to the decisions taken by it. This would convince State governments that their demands are being given a fair chance of being heard and voted on democratically.

There is still work to be done on GST. Some tax rates are yet to be streamlined, bringing fuel under GST has to be deliberated, and many rules such as anti-profiteering need to be made more clear. Despite all the impressive statistics, the journey has only begun for the GST Council.

Source: thehindubusinessline.com- Oct 31, 2018

HOME

****

Power loom weavers go on extended Diwali vacation

Thousands of textile workers have started moving out of the city as over 2 lakh power loom machines have stopped working ahead of the month-long Diwali vacation.

The early Diwali vacation has been attributed to dwindling demand of polyester fabric, Central Government's adamant attitude on input tax credit and payment crisis in the textile sector.

Most of the owners in Kim-Pipodara, Anjani, Anjana, Sayan, Pandesara, Udhana and Limbayat started to close their power loom units from October 25. The units earlier used to shut after Diwali. However, this time they have started to shut from October 25 itself.

Textile Goods Transport Association president Shravan Rajput said, "This is first Diwali when the market is in recession mode. The supply of grey fabrics from power loom units to textile market has reduced by almost 60 per cent. Earlier, during this period, tempo owners would not even get time to have lunch and dinner."

Industry sources said production of polyester fabric has been reduced from 2.5 crore metre per day to just 1.5 crore metre. There are many power loom unit owners who are unable to pay wages to the workers.

Leader of power loom sector, Mayur Golwala said, "Goods and Services Tax has broken the spine of power loom weavers. Many are selling their machines to pay wages of workers, while others are managing by borrowing from private financiers. This is the longest Diwali vacation in power loom sector in all these years. The industry is not sure whether the workers will return to work after the vacation or not."

Federation of Surat Textile Traders Association president Manoj Agarwal said, "The pre-Diwali orders have fallen by almost 55 per cent compared to last year. Majority of buyers are not willing to pay in cash."

Commercial inspector at Surat railway station, Ganesh Jadhav said, "It's almost 10 days to go for Diwali festival and passenger rush has increased. Most of the passengers are migrants going toward Uttar Pradesh, Bihar, West Bengal and Odisha."

Federation of Gujarat Weavers Welfare Association president Ashok Jirawala said, “Almost the entire power loom sector will be shut by October 31. Power loom weavers are squeezed by GST, yarn price hike, payment crisis and unutilized input tax credit (ITC) worth Rs600 crore.”

Source: timesofindia.com- Oct 31, 2018

HOME

****

Walmart rides high on India growth; to invest $500 million to open 47 more stores

After $16 billion acquisition on India’s largest online retailer Flipkart Online, US-based Walmart Inc is gearing up to stay ahead of the competition in India with plans to invest about $500 million, approximately Rs 3,200 crore, to roll out 47 wholesale stores in India by the end of 2022. This will take the total number of outlets of Walmart India to 70 from the current 23 total outlets across the country, the PTI reported.

Walmart India opened its 23rd wholesale store in Visakhapatnam on Wednesday and it is also looking to set up the second store in the city, the company’s President and CEO Krish Iyer said.

The newly opened outlet in Visakhapatnam came up on 56,000 square feet of area and provided employment to about 2,000 people, directly and indirectly, he added. The outlet is also the fourth in Andhra Pradesh and first in the state after Walmart India became a 100% subsidiary of Walmart Inc.

It may be noted that the US retailer had formed a joint venture with telecom major Bharti Enterprises in 2007 to create Bharti-Walmart. However, the two companies parted their ways in 2014 and Walmart India became a wholly-owned arm of Walmart Inc.

“We have a plan to open another store in Visakhapatnam. We are looking for a site. We hope to sign the property in the next three to four months. It takes about three hours to open a store after we sign a property,” he added. Of the total 23 B2B Cash and Carry outlets, 19 have already achieved break even with over a million members.

In May this year, Walmart agreed to acquire a controlling 77% equity stake of Flipkart from existing shareholders, including Japan's SoftBank, for $14 billion, apart from investing $2 billion of fresh equity, valuing the homegrown firm at about $21 billion in what is one of the biggest acquisitions in the country.

While talking about possible cannibalisation of sales by Flipkart, Iyer said both are in different segments as Walmart offers B2B services, while Flipkart focuses on individual customers. Walmart India offers approximately 5,000 items through its cash-and-carry wholesale format.

Source: financialexpress.com- Oct 31, 2018

HOME

****

Indian mills profit margins rise in Q2

Profit margins of Indian textile mills improved during the second quarter. Input costs were low, driven largely by a fall in cotton prices. Welspun India's net profit for example grew 21.4 per cent. Sales grew 11 per cent.

Raymond's sales increased 16 per cent, ebitda by 36 per cent and net profit by 63 per cent. Better capacity utilisation in garmenting, higher gains from currency depreciation and continued focus on efficiencies may drive Raymond's margin expansion in the second half.

Raw material prices remained subdued during the quarter, though cotton demand from domestic textile manufacturers was robust, as mills needed to prepare stocks for the festival and seasonal demand in October-November.

These dynamics might change in the coming quarters with demand for cotton coming from Pakistan, China and other importing countries at a time when output of the natural fiber is estimated to decline. As against the earlier forecast of 36 million bales of output, the new estimate is about 33 million bales this year.

Cotton prices in major producing centers such as Punjab and Madhya Pradesh have declined to nearly 10 per cent below the minimum support price.

China has since turned to India for import of cotton due to a higher import duty levied on its traditional supplier, America. Pakistan is also likely to procure from India this year.

Source: financialexpress.com- Oct 31, 2018

HOME

****

Driving growth through the retail sector

The retail sector in India will be a mix of offline and online platforms, throwing up enormous job opportunities

The retail environment is changing rapidly across the world and India is one of the most exciting markets today. The Deloitte FICCI Report 2018 says the retail market in India is expected to reach $1.2 trillion in the next 5-8 years. Modern retail is expanding its footprint across India and is expected to reach 25 per cent of total retail sales from the current 10 per cent. During the same period, e-commerce is expected to double its share to 10-12 per cent of total retail sales.

Such an optimistic outlook is backed by several factors — the country's large and aspiring middle class, rising disposable income, a supportive business environment, strong GDP growth, and growing smartphone and internet penetration and use. The increasing growth opportunity can even be attributed to the young demographic dividend which comprise 70 per cent of our country's population and fall below the age of 30 years.

Complementing the above is the tremendous push by the government to improve business and investment climate. The debate is no more about whether the future of retail is offline or online — it is imminent that India would have a mix of offline and online shopping experiences that best serve consumers. The strategy therefore is to find innovative ways to serve the discerning customers, and this also means being able to move with speed and create tailored experiences.

Today's consumers are becoming digital-first, hyper-connected, and expect engagement on their terms. For most categories, the 'Moment of Truth' (the moment that customer would make up the mind to buy) is now happening online. Therefore, customer 'experience' is getting more real.

With access to consumer data, and machine learning and Artificial Intelligence helping drive insights faster, retailers are now competing on providing that seamless experience. This is impacting the creation of niche jobs such as retail data analysts, digital imaging leaders, IT process modellers, digital marketing specialists and customer experience leaders.

Including kiranas

"Partnerships" is the new normal as retailers are realising the power of more than one and that they no longer can go at alone. The "ecosystem" along the customer journey will see partnerships become more common and essential to meet customer requirements. New retail models are also evolving as retailers are realising the potential of the kiranas and the opportunity to include them in the whole journey of retail renaissance.

Social responsibility and sustainability, particularly in the supply chain, are gaining more importance with increased awareness and accountability for businesses. This is true for not just the retailers that assort brands but for the brands themselves. An international survey by Cohn & Wolfe found that 87 per cent of global consumers felt that it was important for brands to: Act with integrity at all times, ranking authenticity above innovation and product uniqueness when asked what they valued most in a brand. Customers are demanding transparency as they take an increased interest in the ethical practices of the brands they buy from.

The retail sector per se has immense potential to contribute to the country's economy in various ways, such as being engine of growth; spurring manufacturing; contributing to jobs; strengthening supply chain and logistics and creating shared value.

Retail drives the virtuous cycle of growth in the economy because it is not at the end of the chain but is at the beginning of it. Retail drives consumption which in turn drives demand and hence therefore leads to capacity creation/utilisation.

This cycle spurs local job creation, more disposable income in the hands of people to further sustain the consumption cycle as part of this growth engine. As a result of the 'access to the market' in the form of modern retail, food processing industry grows leading to increasing income for small and medium farmers.

In a nutshell, retail works as the engine of growth in growing market like India. The Indian retail sector already accounts for over 10 per cent of the country's GDP.

A vibrant retail ecosystem plays a critical role in growing the economy and also leads to huge exports. It also transforms logistics, supply chain, cold storage techniques etc.

In an interconnected world facing unprecedented environmental and social challenges, society will demand and have a basic expectation from the companies that their business should provide significant net positive return to the society at large. This is what "Shared value" is. Retail sector, offline or online, has the tremendous ability to create shared value.

Retail growth is good for the country, and investments will support employment, give opportunity to thousands of local suppliers and manufacturers accessing consumers through all models of retail.

Source: thehindubusinessline.com- Oct 31, 2018

HOME

****