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IBTEX No. 244 of 2018 **December 01, 2018**

USD 69.77| EUR 78.96 | GBP 89.04 | JPY 0.61

Cotton Market (30-11-2018)		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20963	43850	**79.20**
Domestic Futures Price (Ex. Gin), November		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21530	45036	**81.34**
International Futures Price		
NY ICE USD Cents/lb (Dec 2018)		78.68
ZCE Cotton: Yuan/MT (Jan 2019)		14,540
ZCE Cotton: USD Cents/lb		**80.64**
Cotlook A Index – Physical		**85.55**

Cotton Guide: Cotton is still within 10-weeks of trading range. Today will conclude another week to trade in the broad range of 77 to 82 cents. There is no major traction in the market no major fundamental development so price action is within the limit. Multiple factors ruling the market like overall decline in the global supplies should prompt the cotton price to trade higher however such gains are not seen properly because short term discomfort between US and China trade worry talk is ruining the market. We continue to see 76.50 as key support level whereas 82 as resistance. However, in the interim 80 is also considered as strong resistance level.

Pertaining to this week it has come to an end and we have seen price rebounding from the lows of 77 and now trading at 78.68 cents per pound for the active 2019 March contract. On Thursday March settled at 7868, down 20 points. December settled at 7664, down 112 points. The other months settled from 24 points lower to 3 points higher. Volume was 14,805 contracts, the lightest volume since mid-September. Cleared previous day were 17,446 contracts. Other markets were generally lower including grains and stock indices, but not by much. Some attention was given to a notable drop in the US dollar which is seen trading at 96.75.

Not only cotton many other asset classes are trading submissive since there are no clarity in the market. Today being the month-end so action may be seen however, it is also the last day of trading before the G-20 Summit in Argentina. President Trump commented today he thought a deal could be made with China; but before he concluded the news conference he said he likes it like it is, collecting “billions and billions of dollars” on tariffs. For detailed reading please get in touch with Kotak Commodities Research Desk.

FX Guide:

Indian rupee has opened higher by 0.2% to trade near 69.7 levels against the US dollar. Rupee has tested 3-month high amid generally lower crude oil price and increased uncertainty about Fed’s monetary policy. Brent crude has recovered from 1-year low tested yesterday but remains pressurized by higher US supply and slowdown in Chinese economy. The US dollar index is choppy as Fed Chairman Jerome Powell’s comments and FOMC minutes indicated that the central bank may take a flexible approach on rate hikes next year. Rupee has also benefitted from RBI’s measures to improve liquidity. RBI said Tuesday it will buy up to 400b rupees of bonds through its open-market operations next month. However, weighing on rupee and other emerging market currencies is disappointing Chinese economic data and concerns about US-China trade deal. President Donald Trump said he is very close to "doing something" with China ahead of a planned meeting on Saturday. However, market players are not expecting a major breakthrough. Rupee has rallied sharply in last few days and may witness choppy trade as market players position for US-China trade talks however the general bias is still positive owing to lower crude price and choppy US dollar. USDINR may trade in a range of 69.5-69.95 and bias may be on the downside. Further cues will come from GDP data later today.

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

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INTERNATIONAL NEWS

Trump Signs New NAFTA But Congressional Hurdle Remains

The U.S., Canada and Mexico signed a new trade deal championed by President Donald Trump to replace the quarter-century-old Nafta pact, capping a year of intense negotiations and offering a glimmer of certainty amid rising global tensions over trade.

Trump, Canadian Prime Minister Justin Trudeau and outgoing Mexican President Enrique Pena Nieto signed an authorization for the deal on Friday morning in Buenos Aires on the sidelines of the Group of 20 summit, with their ministers signing it shortly after. The vast majority of the pact still needs to be ratified by lawmakers in the three countries but the signing enacts a handful of immediate protections, such as from auto tariffs.

The deal now heads to ratification, almost certainly by the next U.S. Congress, where some Democrats who will have a majority in the House starting in January are warning they may not be satisfied by the terms. Uncertainties remain, as the original 1994 pact stay in effect, and tariffs on steel and aluminum continue to be a major irritant. Nonetheless, the signing concluded an arduous process that was marked by repeated threats from Trump to exit the continent's free-trade zone.

"This has been a battle," Trump said in remarks right before the leaders put pen to paper. "This is a model agreement that changes the trade landscape forever."

The new deal is known as the U.S.-Mexico-Canada Agreement, though the Canadians have avoided calling it that. The U.S. and Mexico struck a deal in August, followed by Canada on Sept. 30. Its key provisions include:

Raising the North American content requirement in autos traded tariff-free under the deal to 75 percent, from 62.5 percent, and requiring that 40 percent of a vehicle be made at high wages Adding a clause for regular review of the deal, with the first coming after six years Overhauling dispute panels, largely killing investor-state panels but preserving dispute settlement panels Expanding U.S. dairy farmers' access to Canada's protected market

The three countries sealed the new trade accord a day before Trump is set to meet with Chinese President Xi Jinping to discuss a possible truce in their tit-for-tat trade war. The U.S. leader has touched off a global showdown over trade by threatening a broad range of tariffs to force changes in trade practices that he considers unfair to American industry. No one has been spared in that trade fight — not even Canada and Mexico, the top buyers of U.S. goods.

Steel and aluminum tariffs, once seen as a pressure tactic in trade talks, remain in place. The U.S. continues to push for a quota in exchange for lifting the tariffs on Canada and Mexico, which have applied their own retaliatory levies. Canada has said it will lift its tariffs once the U.S. removes its own. The unresolved dispute will sap private sector support for the USMCA deal, said Rufus Yerxa, president of the National Foreign Trade Council in the U.S.

Trudeau pressed on Friday for a resolution. “Donald, it’s all the more reason why we need to keep working to remove the tariffs on steel and aluminum between our countries,” he said at the ceremony.

U.S. Trade Representative Robert Lighthizer said talks on steel and aluminum will continue next week, and indicated they’d be handled separately with Canada and Mexico. He declined to say whether quotas would be required to lift the tariffs.

“So what the president has asked me to do is to find a way forward that is satisfactory to the Mexicans and to the Canadians in separate agreements,” he said. “It was something that was not going to happen while we were doing this very complicated agreement.”

The signing was done on Pena Nieto’s last day in office, a target the countries had pushed for in a bid to have it sealed before his successor, Andres Manuel Lopez Obrador, takes power Saturday.

Trump acknowledged the often difficult path during negotiations and praised the outcome. “We’ve taken a lot of barbs, and a little abuse, and we got there and it’s great for all of our countries,” he said.

U.S. lawmakers, both Democrats and Republicans, have recently said the deal needs changes in order to gain their support. Lopez Obrador’s Morena party, which holds a majority in Mexico’s Senate, may also seek revisions.

Trudeau has a majority in Canada's House of Commons but faces an election in October.

Trump expressed optimism about getting the deal blessed by U.S. lawmakers. "I look forward to working with members of Congress," he said. "It's been so well reviewed I don't expect to have much of a problem."

Democratic Senator Chuck Schumer said the deal needs stronger environmental and labor protections.

"The Congress has a role in crafting 'implementing legislation' to make sure the deal benefits and protects middle-class families and working people, and isn't simply a rebranding of the same old policies that hurt our economy and workers for years," he said in a statement.

Lighthizer said it was possible to address some concerns in implementing legislation, but said the deal isn't being reopened.

The parts of the deal that kick in immediately upon signing are 13 provisions known as "side letters." The foremost allow exclusions from any U.S. auto tariffs up to a certain quota that's set well above current Canadian and Mexican auto production.

The side letters also include deals between the U.S. and Mexico on biologic drugs, cheese names and auto safety standards; and deals between the U.S. and Canada on wine, water and energy.

Source: sourcingjournal.com- Nov 30, 2018

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Bangladesh registers highest import growth for September 2018

As per latest figures by the Department of Commerce's Office of Textiles and Apparel (OTEXA), Bangladesh registered the highest growth amidst 10 countries in the US apparel imports for September, 2018.

The country's exports surged to 11.8 per cent with 171m Square Meter Equivalent (SME), surpassing Honduras (90m SME), India (81m SME), and El Salvador (65m SME).

Globally, Bangladesh is the second-largest ready-made garment (RMG) exporter, with net annual worth around $28 billion. The RMG Sector houses 41 per cent factories with moderate technologies and 20 per cent using advanced machinery.

Touted as a women-driven sector, male to female worker ratio stands at 39.2:60.8, with total employment of approximately 3.5 million people.

While the textile sector is responsible for 83.5 per cent of the country's exports, it plays a crucial role in the Gross Domestic Product (GDP) figures with 6 per cent contribution. This comes as the country has utilised the impetus received from the government as well as private companies like Beximco Textiles.

The government of Bangladesh has been instrumental in laying a strong foundation for the industry. They collaborated with the International Labor Organization (ILO) for enhanced protection of factory working environment and inspections were carried out across 3,780 factories under the same.

In order to ensure this as a long-term measure, the Department of Inspections of Factories and Establishments (DIFE) was re-structured with a personnel and budget boost.

Source: fashionatingworld.com- Nov 30, 2018

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Istanbul trade fair to welcome leading yarn manufacturers

The 16th International Istanbul Yarn Fair, organised by Tüyap Fair Group, is getting prepared to bring yarn manufacturers and visitors together to develop Turkey's economy and facilitate the establishment of new business relations among the firms.

The leading yarn manufacturers from Turkey and other countries will lead the yarn trade at the event that takes place from 28 February – 2 March to display their innovative and advanced technology products. The trade fair opens its doors next year to 308 companies and company representatives from 15 different countries. The fair hosted 12,498 visitors from 84 different countries in 2018.

"As we approach the end of 2018, the textile and raw materials industry is getting ready to break its record in the history of Turkey given the export rates," organisers report. "In the first half of the year, Turkey, exporting to more than 200 countries, achieved a 7.3% increase in exports as compared to the previous year.

Having the greatest portion in textile exports and being one of the most important sub-sectors in the textile industry, yarn products play a key role in boosting our country's economy."

With robotic technologies being utilised more and more in ready-to-wear clothing worldwide, home textile and ready-to-wear clothing being diversified each year and the continued search for design and distinctiveness in ready-to-wear clothing, the yarn used in woven and knitted fabric manufacturing has gradually become very important.

"Thus, woven and knitted fabric manufacturing suppliers, aiming to meet the developing and renewed requirements of the market and compete in both domestic and foreign markets, have embarked on a quest for product range in yarn. In this context, fairs meet the needs of woven and knitted fabric manufacturing suppliers so that they can access yarn resources and fulfil renewed and increasing demands quickly," organisers explain.

Source: knittingindustry.com- Nov 30, 2018

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Smooth African trade to tackle rising challenges: UNCTAD

Smoothing the way for African trade is critical if the continent has to tackle the challenges posed by fast-shifting patterns of global commerce, United Nations Conference on Trade and Development (UNCTAD) secretary general Mukhisa Kituyi said recently in Addis Ababa. He was in Ethiopia for the first African Forum for National Trade Facilitation Committees.

The forum at the UN Economic Commission for Africa (UNECA) discussed how to reduce trade hurdles in the continent. It is part of efforts to implement the World Trade Organisation's (WTO) Trade Facilitation Agreement, which entered into force in February 2017 and could help drive down the cost of commerce, according to an UNCTAD press release.
It also comes amid new momentum provided by the African Continental Free Trade Agreement (AfCFTA), a landmark for regional integration that was signed in March 2018.

"Africa faces a moment when the market access gains that have been negotiated over the past two decades can be severely eroded unless we address the challenges of trade facilitation," said Kituyi.

He emphasized that Africa's competitive labour advantage must be accompanied by quality transport hubs, efficiencies in the cross-border movement of goods and services, better procedures at ports, and a predictable regime of logistics management.

Overall, the WTO calculates current trade costs for developing countries are equivalent to applying a staggering 219 per cent tariff on their international trade, and that full implementation of the Trade Facilitation Agreement could cut trade costs for Africa.

"It could add 2.7 percentage points per year to world trade growth and more than half a percentage point to world GDP. The biggest benefits would accrue to developing countries," WTO director general Roberto Azevêdo said.

"In Africa estimates show that full implementation of the agreement could reduce trade costs by an average of 16.5 per cent - by doing that, it has the potential to deliver a huge economic boost for the continent," he said.

The forum is the first of events globally to support implementation of the WTO's agreement, which besides measures to boost trade also addresses improved revenue collection, safety and security compliance controls, including for food, and streamlining government agencies.

The reforms aim to help small cross-border traders, often women, enter the formal sector, make economic activities more transparent and accountable, promote good governance, generate better quality employment, strengthen information technology capabilities and generally modernise societies by bringing about benefits related to administrative efficiency.

The three-day forum, which ended on November 29, was supported by the Commonwealth, the European Union, Danish development agency Danida, the Government of Finland, and the Islamic Development Bank.
Source: fibre2fashion.com- Nov 30, 2018

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Dhaka issues gazette notification on minimum monthly wage

Bangladesh recently issued a gazette notification fixing the minimum monthly wage of readymade garment (RMG) factory workers at Tk 8,000.

The new rate for around four million workers is a 51 per cent more than Tk 5,300, the wage set on December 1, 2013.

State minister for labour Mohammad Mujibul Haque had announced the new wage structure on September 13.

The new structure will have seven grades for garment factory workers and four for other employees, according to the gazette.

Besides different basic pays and house rents, Tk 600 medical allowance, Tk 350 for conveyance and Tk 900 food allowance are included in the minimum wages, according to Bangladesh media reports.

The minimum basic pay for the seventh grade is Tk 4,100 and house rent Tk 2,050. Including allowances for medical, conveyance and food, it is Tk 8,000. The minimum pay for grade-1 workers is Tk 17,510.

Source: fibre2fashion.com- Nov 30, 2018

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Bangladesh: Apparel Federation favours unified system in compliance audit

The IAF has already held discussions with the International Textile Manufacturers Federation (ITMF) on the issue

The International Apparel Federation (IFA), a global platform for apparel makers, is keen to establish a unified code of conduct for compliance audits in the global apparel sector to reduce cost, as multiple audits increase the cost of doing business.

Visiting IAF president Han Bekke made the suggestions addressing a media briefing after a meeting with Bangladesh Garment Manufacturers and Exporters Association (BGMEA) leaders at its headquarters in Dhaka on Thursday.

“In general, I feel there are too many initiatives trying to improve our (apparel) business. We are working on combining these initiatives under one unified system,” said Han Bekke.

“In the apparel industry, we have so many audits, which costs lots of money. We agreed in our board to hold a meeting probably in Europe next year with buyers, retailers, and apparel manufacturers,” said Bekke.

‘We can save lots of money if a harmonized system is evolved,” he added.

“A unified code of conduct for compliance audits is a longstanding demand of apparel makers. If it is done in the apparel sector, it would ensure compliance at a reasonable cost and within a short time,” BGMEA president Siddqur Rahman said.

The IAF has already held discussions with the International Textile Manufacturers Federation (ITMF) on the issue. As a trade body of the apparel sector, the BGMEA will work with the IAF and ITMF, said Rahman.

The BGMEA also urged the Federation to hold the IAF Convention in 2020 in Dhaka.

The IAF president showed positive signs and assured discussing it with the Federation board for consideration, Rahman added.

The visiting team also talked on the global trade situation such as Brexit and US-China Trade.

Brexit is probably causing a lot of problems, which might slow economic growth in the European Union, said Bekke.

Due to the ongoing US- China trade war, China will move to the European market, which means the Bangladeshi apparel sector will encounter strong competition in its largest export destination, said Bekke.

On the other hand, China will not be able to sell in the US market as before, which will create a huge gap and opportunity for Bangladesh. Manufacturers only doing business in US will get more benefits, he added.

Source: dhakatribune.com- Nov 30, 2018

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Vietnam's export surplus reaches US$6.8 billion in 11 months

Việt Nam's export surplus reached an estimated US$6.8 billion in January-November, according to a report from the General Statistics Office (GSO).

The report showed that export turnover reached $223.63 billion, marking an increase of 14.4 per cent year on year, while import value hit $216.82 billion, up 12.4 per cent.

GSO experts said the value of key export commodities had continued to grow from the same period last year, such as telephones and devices, garments and textiles, machines and parts, in addition to agricultural products, seafood and coffee.

The US remained Việt Nam's largest exporter with export value of $43.7 billion, up 15 per cent, followed by the EU and China with $38.2 billion and $38.1 billion, respectively.

In terms of imports, China was the largest import market for Việt Nam with turnover of $59.7 billion, marking a 13 per cent year-on-year increase. It was following by South Korea, ASEAN and Japan.

Source: vietnamnews.vn - Nov 30, 2018

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Pakistani businessmen urged to explore trade opportunities in Rwanda

Consul General of Rwanda Farooque Azam Khawaja has urged the Pakistani business community to enhance trade ties with Rwanda as it was an ideal place to establish businesses besides being one of the safest and cleanest countries in the entire African region.

In a meeting with the Karachi Chamber of Commerce and Industry office-bearers, Khawaja encouraged the traders of the provincial capital to come forward and explore trade and investment opportunities in the African region, which has a population of 1,25 billion people.

"Textiles, clothing, readymade garments, pharmaceuticals, agricultural products, cement, surgical goods etc. could be exported not only to Rwanda but also to other African countries. Whatever is being produced in Pakistan could be easily sent to Africa as there existed a huge demand owing to the dire shortage of quality products in the region."

KCCI President Junaid Esmail Makda, Senior Vice President Khurram Shahzad, Vice President Asif Sheikh Javaid, Diplomatic Missions and Embassies Liaison Sub-Committee Chairman Shamoon Zaki and KCCI managing committee members were present on the occasion.

The consul general said that the Pakistani pharmaceutical companies could help address the shortage of pharmaceutical products in the African region, whereas the cement manufacturers could take advantage of the recent boom in the construction sector of the region.

Identifying some of the obstacles hindering trade and investment, he said that the African region comprised of 54 countries but unfortunately, only 14 Pakistani embassies were operational in the region, whereas India had a total of 48 embassies.

“The overall trade volume of the African region stood at $1 trillion, of which Pakistan’s share was only $3 billion mainly due to lack of connectivity. India and China, on the other hand, have taken advantage of the situation by effectively penetrating into the African region,” he noted. “No airspace agreement existed and there was no Pakistani embassy in Rwanda.

It means that a Rwandan businessman would have to go to another African country first to get a visa for Pakistan. These complexities were creating hurdles in smooth trade between the two countries.”

He mentioned that during the last 15 years, not a single high-level official, including the president, prime minister, or any other parliamentarian, from Pakistan had visited Rwanda. Therefore, he added, there was a dire need to improve government-to-government and business-to-business contacts.

“Pakistan remains focused on enhancing its exports to European Union, United States, United Kingdom, Middle East and China while one of the most promising markets (Africa) is being overlooked.

Lack of proactive measures have been the main reasons why Pakistan’s exports continued to hover between $18 to $24 billion,” he added.

KCCI President Junaid Esmail Makda, in his remarks, said that it was a matter of concern that not a single agreement has ever been signed either at the government or private level with Rwanda despite huge potential.

He assured that the Karachi chamber would take up the embassy issue with the Ministry of Foreign Affairs and would strive hard to convince the decisionmakers to look into the possibility of opening up a Pakistani embassy in Rwanda which would certainly help improve connectivity and bring business communities of the two countries close to each other.

Expressing concerns over limited trade volume between the two countries, the KCCI president noted that during 2017, Pakistan’s export to Rwanda stood at $0.205 million while imports from Rwanda stood at $34.485

million. He stressed that the trade relations between Pakistan and Rwanda require special attention of the policymakers.

He was of the opinion that Pakistan and Rwanda could enhance the trade volume by trading in agricultural products. “Pakistan can also help Rwanda in the field of healthcare and can accommodate Rwanda in terms of medical tourism,” he added.

Source: pakistantoday.com.pk- Nov 30, 2018

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Vietnam: Textile industry joins hands with WWF to promote sustainable energy, water use

The Việt Nam Textile and Apparel Association and conservation organisation World Wide Fund for Nature launched two flagship products and an initiative designed to promote improved river basin governance, improve water quality and develop sustainable energy use in the textile and garment sector on Wednesday.

The “Exploring water risks and solutions for the textile and garment sector in Việt Nam” report and “High-resolution Mekong regional water risk filter” tool along with “Greening Việt Nam’s textile and garment sector through improved water management and energy sustainability”, funded by HSBC, will involve many players in the sector to promote better river basin governance and contribute to water quality improvement and sustainable energy use.

The textile sector is a crucial element of the Vietnamese economy and is heavily dependent on water. It also has a high impact on water resources due to the large amount of water discharged from its operations.

The “Exploring water risks and solutions for the textile and garment sector in Việt Nam” report aims to examine the sector and water risks that could potentially impact the country’s textile and garment sector in the next five years.

The report showed the fact that the sector's investment in wastewater treatment requires significant scaling up compared to the current level and factories still experience difficulties in meeting the national standards on wastewater discharge due to reasons such as inability to finance technologies required for treatment.

It also pointed out major risks the sector could face like shortages in surface water supplies occurring during dry seasons and droughts, poor quality groundwater interrupting the operations of textile factories or forcing them to switch to other sources of water and stricter controls on the operations of textile factories because of their pollution of water sources.

The report makes 12 recommendations to industry stakeholders to mitigate the risks. They include adopting water-saving practices and efficient management activities at both the factory and industrial park levels and best practices in chemical and waste water management, building capacity for water-saving practices, developing a smart water use programme for the textile and government sectors at the national level, and establishing the Lancang-Mekong River Stewardship Collective to engage with the six countries on river-related risks and opportunities.

The High resolution Mekong regional water risk filter was developed by the WWF with support from the German Development Finance Institution. It provides companies and investors with a practical online tool to assess water-related risks in their operations, supply chain and investments.

This globally recognised tool can assess both basin and operational water risks and provide customised guidance on how to respond. High-resolution data for the Mekong region highlights three hotspots for high water quality risks around HCM City, Hà Nội and Bangkok and emphasises the high risks of flooding in the Mekong Delta. For the textile sector, the filter is not only designed to identify risks, but also offers mitigation response. Currently there are 50 response actions available online.

Besides, sector-specific actions and links to frameworks for the textile and apparel sector are available to enable the next generation of water stewards.

Source: vietnamnews.vn- Nov 30, 2018

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Pakistani CCRI's new Bt cotton gets commercial licence

Pakistan's Central Cotton Research Institute's (CCRI) variety Bt CIM-632 received commercial license recently and farmers can now cultivate it to enhance production. The license was issued by the Punjab Seed Council.

The variety was tested by CCRI for two years and approved by the National Coordinated Varietal Trial (NCVT), a national level forum of scientists.

The new variety offers resistance against climate change, pink bollworm, white flies and other viruses. It can boost production to over 40 maund per acre compared to the average production of 21-25 maund per acre, according to Pakistani media reports. One maund is 37.3242 kg.

Source: fibre2fashion.com- Dec 01, 2018

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NATIONAL NEWS

Cotton arrivals slow as farmers hold on to stocks hoping for better prices

But mills too are holding adequate stocks and are in no hurry to pay more

Market arrivals of cotton have slowed as farmers have begun to hold back their produce anticipating better prices. However, the decline in market arrivals in the early part of the marketing season does not appear to deter the mill sector, which is sitting on 'comfortable' stocks.

Arrivals this year during October 1-November 28 stood at 65.79 lakh bales (of 170 kg each), about 31 per cent lower than the 95.09 lakh bales in the corresponding period last year. However, this huge drop does not seem to have triggered a demand. Industry sources say that the stock position at the mills' end is comfortable, with most holding close to two months stock.

All India cotton arrivals

(In lakh bales)

Crop	Oct 1-Nov 28	
	2017	2018
Punjab	5.055	3.395
Haryana	10.44	9.01
Rajasthan	11.73	10.57
Gujarat	23.19	12.57
Maharashtra	17.13	10.57
Madhya Pradesh	6.28	5.99
Telangana	11.515	6.94
Andhra Pradesh	4.951	2.625
Karnataka	4.805	2.17
Total	95.096	65.79

Source: Trade

"Yarn movement has been slow; there is a slowdown across the entire value chain. So, the mill sector is not chasing the farmer/trader," said Indian Texpreneurs' Federation (ITF) secretary Prabhu Damodharan.

Interestingly, despite lower arrivals, prices have cooled a bit on slack demand from textiles mills and multinational traders. "The mills are not keen on buying at higher prices. At the same time, the MNC traders are still not active in the market as the current pricing is not working in their favour," said Ramanuj Das Boob, a sourcing agent in Raichur. Also, the Assembly election in Telangana and Rajasthan is seen having an impact on market arrivals, he said.

Prices of cotton candy, each weighing 356 kg, are now hovering between ₹44,200 and ₹44,800 across various markets, depending on the quality as against around ₹48,000 in early October. Arrivals are likely to improve mid-December, Ramanuj Das Boob said.

While the kapas or raw cotton prices are hovering at ₹5,800-5,860 per quintal in Maharashtra and Gujarat, they are ruling around the MSP levels of ₹5,450 in Telangana. The Cotton Corporation of India has already begun purchases in Telangana and Odisha.

Industry sources also feel that the white fibre might not be exported at this juncture as the rupee has fallen below 70 to a dollar.

“The mill sector has not taken a call on cotton imports as the quality of the Indian cotton is good, and cheap compared to the prevailing international prices,” said Selvaraju, Secretary-General, The Southern India Mills Association (SIMA).

“Mills will import, but this requirement will arise during August-September, towards the close of cotton season. Imports could hover around 15 to 20 lakh bales,” he said.

Industry sources by and large feel that 2018-19 season would be a good year for the cotton textile industry.“With elections in Telangana, a clear picture of the scenario would be possible only by mid-December,” said Prabhu.

Reverting to crop production, Selvaraju said it could hover around last season's figure of 370 lakh bales. “There's been no report of pink boll worm infestation. The drought in Gujarat and Maharashtra can impact crop prospects.”

“We also learnt that the sale of refuge seeds (non-Bt) has been on the rise and the quality of the fibre – extremely good as compared to the previous year. That's not all. The area has picked up and there is a 26 to 28 per cent increase in the MSP. The prices cannot go down, but the position is comfortable and mills need not be wary of the situation,” he said.

ITF secretary on the other hand contended that cotton is a globally connected commodity. “The industry should understand that the trade is no more a business between a ginner and a miller.

“Cotlook Index, Chinese decisions on stock levels, Indian farmers’ holding capacity and so be with ginners, influence of commodity trading platforms, global fund houses activity in cotton, position taken by speculators, stagnant yield, lack of authentic data on production and pressing, MNCs participation in cotton trade – all of these, tend to impact the price. Volatility and speculation is the new normal," he said, stressing the need for evolving better management strategies.

The Cotton Advisory Board had, at its first meeting for the 2018-19 season estimated the production at 361 lakh bales against 370 lakh bales during the corresponding period of the earlier season.

Source: thehindubusinessline.com- Nov 30, 2018

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India: Cotton stakeholders demand revised Cotton Technology Mission

The cotton stakeholders across the textile value chain have been demanding reintroduction of the Technology Mission on Cotton in a revised format with two mini missions focusing on technology development and technology transfer under the Ministry of Agriculture and another two mini missions focusing on clean cotton and branding Indian cotton textile products.

The Technology Mission on Cotton was announced in 1999 and closed in 2012. It made India the largest cotton producer and net exporter in the world. The Ministry of Textiles has already submitted a proposal to allocate funds to implement clean cotton and branding Indian cotton textile products missions. Additionally, Southern India Mills' Association (SIMA), has sent a representation to the Union Textile Minister seeking her intervention by empowering the Cotton Corporation of India (CCI) to enforce certain regulations to curb the malpractices resorted to by certain ginners.

It has suggested empowering the textile commissioner, the secretary, textiles committee, the Director, TRAs, CIRCOT, and CMD of CCI to make periodical inspection in ginning factories and take necessary action on the factories resorting to malpractices.

Textiles committee should conduct periodical audits and recognise three to five-star rated ginning factories by posting the details on the CCI website and CCI should introduce the 16-digit RFID code for individual bale quality parameters on par with USDA that practises the same since 1991.

Source: fashionatingworld.com- Nov 30, 2018

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Tirupur awaits ROSL refund

Exporters in Tirupur have been awaiting their ROSL (Rebate on State Levies) refunds for three months. For the Tirupur knitwear cluster alone, the pending ROSL claims (1.7 per cent free on board worth exports) work out to be Rs 105 crores.

Settlement of pending claims would be helpful to plants at a time when the units are operating under wafer-thin margins and struggling to sustain in the price-conscious global market.

These have to compete against countries which are enjoying duty-free status in the European Union and the United States markets.

Under the ROSL scheme, a rebate on state levies is provided such as value-added tax and central sales tax on inputs, including packaging, fuel, and electricity duty, accumulated through various stages of production, from yarn to finished garments. For exporters, the scheme offers enhanced duty drawback cover on inputs.

The scheme takes into consideration all taxes paid by exporters like VAT, electricity duty, octroi, entry tax etc.

The ROSL rate for garment items exported varies from 2.65 per cent to 3.9 per cent.

Tirupur exporters also want India to expedite the free trade agreement with Russia, which has given Bangladesh the duty-free garment facility, and they hope India can also avail of this facility.

Source: fashionatingworld.com- Nov 30, 2018

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Traders export goods worth Rs 37.5 million at Indo-China border in Nathula

A function was held at Nathula border on Thursday to mark closure of this year's trading season at the international border

Indian traders have exported goods worth Rs 37.5 million during the 13th edition of bilateral trade between Indian and China at Nathula border in Sikkim this year, officials said Friday.

The Indian traders exported goods worth Rs 37.5 million against import of goods worth Rs 276.9 million from their counterparts of China's Tibetan Autonomous Region (TAR) during seven months of trading window this year at Nathula border, said a release of the Information and Public Relations Department (IPR) of Sikkim government.

A function was held at Nathula border on Thursday to mark closure of this year's trading season at the international border which was attended among others by the Commerce and Industries Department official and other line departments of the Centre and state government.

This year the Nathula border trade registered a growth of nearly 15 per cent against last year's trade volume of Rs 35.4 million, the release said.

Bilateral trade between India and China through Nathula route was suspended for over two months due to standoff between the two countries over Doklam issue, it said.

There are 36 items on export list from India comprising dairy products to utensils, while a total of 20 items, including quilts and jackets, figure in import list from TAR, it added.

Source: business-standard.com- Nov 30, 2018

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India's apparel exports to Canada on the rise

India's exports to Canada have increased at three per cent year on year. However, over the last five years India's share in Canada's textile and apparel imports has declined.

Apparel has a 50 per cent share in India's textile and apparel exports to Canada. This is followed by home textiles and fabrics having a share of 50 per cent and eight per cent respectively.

Apparel is the largest imported category by Canada, representing 66 per cent of total textile and apparel imports. This is followed by home textiles, fabrics and others with a share of 16 per cent, six per cent and five per cent respectively.

China is the largest supplier to Canada, accounting for a 34 per cent share, followed by the US and Bangladesh with a share of 16 per cent and eight per cent respectively. The top 10 suppliers account for 85 per cent of textile and apparel imports by Canada.

Over the years, apparel production in Canada has fallen while imports continue to increase. So India has a huge scope for expansion of apparel exports to Canada.

To cater to this demand, Indian apparel manufacturers need to undertake suitable investments on product innovation.

Focus on technology enhancement and manufacturing excellence will act as a key mantra for raising the trade flow between the two countries.

Source: fashionatingworld.com- Nov 30, 2018

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BRICS leaders call for transparent, inclusive international trade

The leaders reiterated their commitment to working together to strengthen multi-lateralism and promote a fair, just, equitable, democratic and representative international order

India and four other BRICS nations on Friday called for rules-based multilateral trading system, as embodied in the WTO, to ensure transparent, non-discriminatory, open and inclusive international trade, amidst growing protectionism.

Prime Minister Narendra Modi, Russian President Vladimir Putin, Chinese President Xi Jinping, South African President Cyril Ramaphosa and Brazil President Michel Temer met here on the sidelines of the G-20 Summit and exchanged views on international political, security and global economic-financial issues, as well as challenges facing sustainable development.

In a joint press statement after the meeting, the five leaders said reiterate our commitment to working together to strengthen multi-lateralism and promote a fair, just, equitable, democratic and representative international order.

"We exchanged views on international political, security and global economic-financial issues, as well as challenges facing sustainable development," the statement said.

They also deplore continued terrorist attacks, including against some BRICS countries and condemned terrorism in all forms and manifestations.

"We urge concerted efforts to counter terrorism under the UN auspices on a firm international legal basis. We call upon all nations to adopt a comprehensive approach in combating terrorism, including all the elements identified in the Johannesburg Declaration," they said.

They expressed their commitment to the full implementation of the Paris Agreement adopted under the principles of the UNFCCC including the principles of common but differentiated responsibilities and respective capabilities, it said.

"We call upon all countries to reach a balanced outcome under the Paris Agreement Work Programme during COP-24 that enables operationalisation and implementation of the Paris Agreement. We stress the importance and urgency of conducting a successful and ambitious first replenishment process of the Green Climate Fund," the statement said.

They urged the developed countries to provide financial, technological and capacity-building support to developing countries to enhance their capability in mitigation and adaptation, it added.

Amid the ongoing trade war between the US and China, the leaders also underlined the need for a dispute settlement mechanism of the WTO for its proper and effective functioning and to give members the required confidence to engage in future negotiating in the WTO.

"We reaffirm our full support for the rules-based multilateral trading system, as embodied in the WTO, to ensure transparent, non-discriminatory, open and inclusive international trade. We express our common readiness to engage in frank and result-oriented discussions with other WTO members with a view to improving the functioning of the WTO," they said.

"The spirit and rules of the WTO run counter to unilateral and protectionist measures. We call on all members to oppose such WTO inconsistent measures, stand by their commitments undertaken in the WTO and rollback such measures of a discriminatory and restrictive nature," they said in the statement.

The leaders urged that the appellate body selection process be initiated immediately, as an essential prerequisite for the stable and effective functioning of the WTO dispute settlement system.

Welcoming the G-20 Argentine Presidency's theme of building consensus for fair and sustainable development and its focus on the future of work, infrastructure for development and food security for sustainable future, the leaders said that infrastructure for development and commitment to contribute to bridging the global infrastructure gap was important.

"We advocate for a strong global financial safety met with an adequately resourced, quota-based International Monetary Fund (IMF) at its centre.

To this effect, we reaffirm our commitment to the conclusion of the IMF's 15th General Review of Quotas, including a new quota formula so as to ensure the increased voice of the dynamic emerging and developing economies to reflect their relative contributions to the world economy while protecting the voices of the least developed counties, by the 2019 Spring Meetings and no later than the 2019 Annual Meetings," the statement said.

Source: business-standard.com- Nov 30, 2018

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Govt aims to ease biggest hurdle for factories with new policy

The reform measure attempts to attract over $100 billion in investments into the country and kick start the economy

Prime Minister Narendra Modi plans to unveil a long-awaited industrial policy soon to boost domestic manufacturing and accelerate economic growth before federal polls next year.

Under the new plan, a company need not purchase land or equipment but could lease them on long-contract basis helping lower costs and cut down time on setting up operations, secretary to the Department of Industrial Policy and Promotion Ramesh Abhishek said in an interview. Units located in industrial clusters may be able to share infrastructure.

“We have to be competitive,” said Abhishek, who’s ministry has been working on the plan for over a year. “For this we need to upgrade our technology, lower costs, improve logistics, skill our labor. The industrial policy will bring all things together and will come out with recommendations on what needs to be done.”

Prime Minister Modi’s administration has been struggling to fulfill one of his key campaign pledge—creating 10 million jobs a year—that propelled him to power in 2014 elections. As the country heads to poll due early 2019, the main opposition Congress party is moving to cash in on the disenchantment over unemployment and rising social tensions.

The reform measure, likely to be one of the last few before the Modi seeks re-election, attempts to attract over $100 billion in investments into the country and kick start the economy. Quarterly growth is expected to have slowed in the three months ended September even as a liquidity crunch at its banks hurts business sentiment before state elections.

Rules will be eased for small and medium businesses which constitute more than 90 percent of the Asia's third-largest economy. India jumped 23 places to the 77th position in the World Bank's global ease of doing business rankings announced earlier this month.

The government is also completing work on the $100 billion Delhi-Mumbai Industrial Corridor that has been delayed by a decade. Work on $2-billion worth of projects has been completed with companies being allotted land to set up factories.

Source: livemint.com- Nov 30, 2018

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GDP growth slows to 3-quarter low of 7.1% in Q2, still ahead of China

India's gross domestic product (GDP) growth rate slowed to 7.1 per cent in the July-September quarter, weakening from 8.2 per cent in the previous quarter, just as Prime Minister Narendra Modi-led central government gets set for the Lok Sabha elections next year.

The rate of economic growth in the same quarter last year had been 6.3 per cent.

With this, India clocked its slowest GDP growth in three quarters, but still remained ahead of China to retain the tag of the world's fastest-growing major economy.

Quarterly GVA (basic price) at constant (2011-2012) prices for Q2 of 2018-19 was estimated at Rs 31.40 trillion, as against Rs 29.38 trillion in Q2 of 2017-18, showing a growth rate of 6.9 per cent over the corresponding quarter of previous year, an official government release said.

The economic activities that registered growth of over 7 per cent in Q2 of FY19 over Q2 of FY18 were manufacturing, electricity, gas, water supply & other utility services, construction, and public administration, defence and other services.

The growth in the agriculture, forestry and fishing, mining and quarrying, trade, hotels, transport, communication and services related to broadcasting, and financial, real estate and professional services was estimated to be 3.8 per cent, (-) 2.4 per cent, 6.8 per cent, and 6.3 per cent, respectively, during this period.

Though the rate of economic growth in the second quarter of 2018-19 looks respectable, a weakening trend could be a worrying sign, as the country needs a growth rate of over 8 per cent to generate enough jobs for the more than 12 million young Indians entering the labour force each year.

While there was consensus that the economic growth in the second quarter would not be as high as 8.2 per cent recorded in the April-June quarter, estimates had varied from 7.2 per cent to 7.6 per cent.

On Wednesday, the Central Statistics Office announced revised growth estimates that made the Modi administration's record look better than the previous Congress-led United Progress Alliance governments.

According to the new set of data, India's GDP grew at an average 6.7 per cent during the nine years of the UPA regime (2005-06 to 2013-14). By comparison, the average growth rate under the current National Democratic Alliance government stands at 7.3 per cent. GDP growth for all years prior to 2012-13 has been revised downwards.

Earlier in the day, the equity markets remained cautious ahead of the release of GDP growth numbers. Benchmark indices S&P BSE Sensex rose 24 points, or 0.1 per cent over previous close, to end at 36,194, and the broader Nifty50 settled at 10,877, up 18 points, or 0.2 per cent, higher than its previous close.

Source: business-standard.com- Nov 30, 2018

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