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IBTEX No. 45 of 2020 — March 02, 2020

US 72.20| EUR 79.76 | GBP 92.60| JPY 0.67

Cotton Market (Feb 13, 2020)		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
18900	39500	**70.40**
Domestic Futures Price (Ex. Warehouse Rajkot), February		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
19520	40797	**72.71**
International Futures Price		
NY ICE USD Cents/lb (March 2020)	69.24	
ZCE Cotton: Yuan/MT (May 2020)	13,025	
ZCE Cotton: USD Cents/lb	84.74	
Cotlook A Index – Physical	**77.20**	

Cotton Guide- The Financial and the Commodity markets are slightly positive. The reason attributed to this is positive news coming in from China that the number of newly infected Coronavirus victims has declined during the last 3 days. The Dow Jones Industrial Average is High, WTI Crude Oil Prices have moved north by around 1.5 $ per Barrel and Cotton consequently followed the positive news thus registering positive gains.

The market seems to follow the current short term happenings. However, we continue to remain biased towards the bearish to sideways trend. The reason why we give a consolidated stance is –there is news that the vaccination will take almost a year to be developed with proper scientific research. Currently the Corona virus which is now named

COVID-19 is being contained by various measures and not eradicated. This implies that a threat of it becoming a pandemic still looms at large.

While speaking about the ICE futures contracts, we need to make an important note that the volumes and open interest have now shifted from the ICE March contract to the ICE May contract. ICE March contract grabbed 24,948 contracts as volumes and 48,453 contracts as Open Interest whereas the ICE May contract grabbed 27,784 contracts as volumes and 94,817 contracts as Open Interest. The ICE March contract settled at 68.58 cents per pound with a change of +35 points whereas the ICE May contract settled at 69.24 cents per pound with a change of +50 points.

The MCX contracts on the other hand remained consolidated yesterday; we expect the same trend to continue. The MCX February contract settled at 19,170 Rs per Bale with a change of +10 Rs. The MCX March contract settled at 19,430 Rs per Bale with a change of -10 Rs. The volumes were double as compared to the previous figure; they were registered at 1413 lots.

The Cotlook Index A has been kept unchanged at 77.20 cents per pound. While speaking about the average prices of Shankar 6, it is available to exchange hands at 39,500 Rs per Candy. Punjab J-34 is quoted at 4,040 per maund. Arrivals of Cotton in India is still above the 2 lakh Bales mark.

On the fundamental front we expect prices to remain consolidated for both ICE and MCX. On the technical front, in daily chart, ICE Cotton May is moving towards the higher band of the downward sloping channel, which coincides with the lower bound of the rising channel near 69.90. Cotton m ay future has crucial resistance near 70(38.2% Fibonacci retracement level), where price would look to complete a pullback before it resumes it bearish bias. Meanwhile price is moving around the 5 & 9 day EMA at 68.93, 68.92, along with RSI at 48 suggesting for the sideways bias in the market. However, the next support for the price would be 68.01 recent low & 66.82 (76.4% Fibonacci retracement level) & the immediate resistance is around 69.90, which is 38.2% Fibonacci retracement level. Thus for the day we expect price to hold the range of 68.00-69.90 with a sideways bias. In MCX Feb Cotton, we expect the price to trade within the range of 18900-19350 with a sideways bias.

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

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INTERNATIONAL NEWS

US retail sales to grow 3.5-4.1% to $3.9 trn in 2020: NRF

Retail sales during 2020 will increase between 3.5 per cent and 4.1 per cent to more than $3.9 trillion despite uncertainty from the lingering trade war, the coronavirus outbreak and the presidential election, the US National Retail Federation (NRF) recently projected. “The nation’s record-long economic expansion is continuing, and consumers remain the drivers of that expansion,” NRF President and CEO Matthew Shay said.

Preliminary results show that retail sales during 2019 grew by 3.7 per cent over 2018 to $3.79 trillion, just short of NRF’s forecast of at least 3.8 per cent growth, which had to be based on incomplete data because of last year’s government shutdown.

The total includes online and other non-store sales, which were up by 12.9 per cent at $777.3 billion, beating NRF’s forecast of up to 12 per cent growth. The numbers exclude automobile dealers, gasoline stations and restaurants.

“With gains in household income and wealth, lower interest rates and strong consumer confidence, we expect another healthy year ahead. There are always wild cards we cannot control like coronavirus and a politically charged election year. But when it comes to the fundamentals, our economy is sound and consumers continue to lead the way,” Shay said in a statement. Based on the latest forecast, 2020 retail sales should total between $3.93 trillion and $3.95 trillion. Online sales, which are included in the total, are expected to grow between 12 per cent and 15 per cent to between $870.6 billion and $893.9 billion.

NRF expects the overall economy to gain between 150,000 and 170,000 jobs per month in 2020, compared with an average 175,000 in 2019, and that unemployment–currently at 3.6 per cent–should stay around 3.5 per cent. Gross domestic product is likely to grow 1.9 per cent, down from preliminary estimates of 2.3 per cent in 2019, NRF said.

“The economy is growing at a more modest pace, but the underlying economic fundamentals remain in place and are positive,” NRF chief economist Jack Kleinhenz said.

While consumers and small business owners are confident, Kleinhenz said corporate chief executives remain cautious over trade policy.

Further progress to build on the Phase One trade agreement with China could boost the economy and accelerate corporate spending and hiring. Conversely, escalation of the trade war could discourage corporate investments. Meanwhile, the wide range of potential policy outcomes associated with November's elections could cause both consumers and businesses to be cautious.

The forecast assumes that coronavirus does not become a global pandemic, but business confidence and retail sales could be impacted if factory shutdowns in China continue, particularly if delivery of holiday season merchandise is affected.

Source: fibre2fashion.com – Mar 02, 2020

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Egypt cotton exports down 38 per cent

Egypt's cotton exports fell 38.6 per cent from September to November 2019 compared to the same period last year. Reason: decreased cotton production. The total amount of cotton locally consumed increased 14.1 per cent over the same period. The quantity of ginned cotton decreased 32.3 per cent.

Egypt is planning to develop the cotton industry, diversify its uses in the industry and thus improve the quality of products manufactured by Egyptian cotton, making them more appealing to global markets.

Egyptian cotton production is on course to rebound with help from a devalued currency and a bigger cultivation area, recovering from a slide in exports of the world-famous crop since 2011 that was caused by a drop in quality. Output fell drastically in 2011, when political upheaval meant regulations to maintain quality were not enforced.

Egypt has regulated cotton trading. The decree limits cotton trading to specified collection points. Farmers are allowed to get the highest possible price through auctions, and prices will be set according to international cotton prices and the comparative advantage of Egyptian cotton.

The decree also links all collection points electronically to ensure transparency, with a consideration for applying the new system through new collection points in some governorates as a pilot version to avoid any problems in the future.

Source: fashionatingworld.com - Feb 28, 2020

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Turkish manufacturers scramble to meet orders amid virus fears

Turkish textile and garment manufacturers are scrambling to meet booming orders amid the novel coronavirus as the sector is already running at 85 percent capacity.

"We expect a 10 percent rise in our clothing exports. Most probably 1-2 percent business loss in the Chinese garment sector will be placed in Turkey," the president of the Turkish Clothing Manufacturers' Association (TGSD) told state-run Anadolu Agency.

Hadi Karasu said the Turkish clothing sector's exports stood at $17.7 billion last year while the figure for China was $173 billion. Karasu, however, noted the sector does not have a lot of space to receive more orders.

"Capacity increase is a must. Plus, we should renew the technology and complete digital transformation" he added. Karasu said the Turkish textile sector does not seek any profit caused by the coronavirus and is ready to cooperate with its Chinese counterpart.

"We want the world to eliminate this disease as we don't look for any advantage of it," he stressed. Karasu highlighted that depreciation in the Turkish lira against other currencies made the country's exporters more competitive.

"European buyers began to question why they are going to China," he noted, adding that Turkey has the advantage of deadline compared to the Far East. At the beginning of 2019, the dollar/lira exchange rate was 5.29, as it was around 6.24 at the end of last week.

He also said U.S. companies already turned to Turkey because of the strain between the U.S and China. "Turkey is on the radar of U.S. sourcing firms in the coming 10 years."

Some clothing exporters in Istanbul saw a 40 percent - 50 percent surge in orders from European companies, according to sectoral sources, who asked not to be named.

Prominent Turkish brands which mostly purchase from Far Eastern countries also started placing orders in Turkey due to concerns over customer perception of "made in China" goods, the brands said, pointing the Turkish capacity.

Coronavirus continue to claim lives

The death toll from the novel coronavirus outbreak in China has risen to 2,837 Saturday, according to the country's National Health Commission.

The commission said 47 more people died in the past 24 hours while 427 new cases were detected by health authorities, bringing the total number of confirmed cases to more than 79,250.

Outside mainland China, there are 94 registered cases in Hong Kong and 10 others in Macau.

The coronavirus, officially known as COVID-19, has spread to more than 30 other countries, including the U.S., the U.K., Singapore, France, Russia, Spain, and India.

The World Health Organization, which already declared the outbreak an international health emergency, on Friday raised the global coronavirus alert level from high to "very high".

Source: hurriyetdailynews.com - Feb 28, 2020

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Philippine: Garment exporters see flat growth this year

Local garments manufacturers expect export earnings to post flat growth this year as the COVID-19 outbreak has affected delivery of raw materials used for production.

The Philippine Exporters Confederation Inc. (Philexport) said garments manufacturers see their export earnings increasing just by one percent this year.

According to data from the Philippine Statistics Authority, the country's garments exports were valued at $906.289 million last year.

"At present, almost all of our apparel production (are) now halted due to delayed deliveries of raw materials from China, Korea, Taiwan and other Asian countries. The Philippines has no local source or back up industries such as fabric, textile and accessories as every item is imported," said Robert Young, trustee for the textile, yarn and fabric sector of the Philexport and president of the Foreign Buyers Association of the Philippines.

COVID-19, first seen in Wuhan, China last year, has affected many countries including South Korea and other Asian countries.

While COVID-19 has affected operations of the country's garments manufacturers, Young is upbeat foreign buyers will continue to look at the Philippines as a source for clothes to be sold.

He said industry players are also hopeful new investors in garment factories will enter the country once the proposed Corporate Income Tax and Incentives Rationalization Act (CITIRA) is passed into law.

CITIRA or the second package of the government's tax reform program will gradually bring down the corporate income tax rate to 20 percent from 30 percent, and rationalize fiscal incentives given to firms by making the grant of such performance-based, targeted, time-bound and transparent.

"New factories will come in and then with our advocacy on CSR (corporate social responsibility) and the improvement of the conditions of the factories, I think we will get more orders and somehow, that can attract more orders for the Philippine garments," Young said.

With a roadmap in place to promote the growth of the local garments sector, he said the industry is hopeful such can lead to increased garments orders from the Philippines.

“Hopefully, that adds to the increase of the garments orders,” he said.

He said the US remains the country’s biggest market for garments this year.

“Right now, the GSP (Generalized System of Preferences) is only for the giftwares and all these hard goods. We are hoping that (in) the new GSP come December 2020, we will include the footwear and garments in the US GSP,” he added.

Source: philstar.com- Mar 01, 2020

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S.Korea's export rebound in 15 months on more business days

South Korea's export posted the first rebound in 15 months in February due mainly to the higher number of business days, a government report showed Sunday.

Export, which accounts for about half of the South Korean economy, reached 41.26 billion U.S. dollars in February, up 4.5 percent from the same month of last year, according to the Ministry of Trade, Industry and Energy.

It was the first turnaround since November 2018 owing to the higher number of business days, caused by the Lunar New Year holiday that moved to January this year from February last year.

The daily export averaged 1.83 billion U.S. dollars in February, down 11.7 percent from a year earlier. The daily shipment expanded 4.6 percent in January.

Import added 1.4 percent over the year to 37.15 billion U.S. dollars in February, sending the trade surplus to 4.11 billion U.S. dollars. The trade balance stayed in the black for 97 straight months.

Semiconductor export increased 9.4 percent in February from a year earlier, marking the first rebound in 15 months thanks to higher price for DRAM chips and strong demand for chips used for datacenter servers.

General machinery shipment advanced 10.6 percent on solid U.S. demand, and ship export gained for two straight months on robust demand for liquified natural gas (LNG) carriers and very large crude carrier (VLCC).

Computer export soared 89.2 percent, keeping an upward momentum for the fifth consecutive month, and shipment for telecommunication devices grew 8.0 percent thanks to higher demand for mobile phone components.

Auto parts shipment rebounded in two months, and textiles export marked the first turnaround in 16 months due to higher demand from the Middle East.

Consumer electronics shipment turned around in two months, but automobile export tumbled 16.6 percent due to the supply disruption of auto parts from China.

Petrochemicals export declined amid lower product price and weaker demand, and display panel shipment retreated 21.8 percent on the global supply glut.

Steel shipment diminished 9.9 percent on weaker demand from China, and oil product export fell last month amid the lower global demand.

Export to the United States recorded the first rebound in nine months on demand for locally-made chips, computers, automobiles and general machinery.

Shipment to the Association of Southeast Asian Nations (ASEAN) kept growing for the second consecutive month, and export to Latin American countries rebounded in five months.

Export to India posted a double-digit gain in February, but shipment to China, South Korea's biggest trading partner, contracted 6.6 percent on weaker demand for petrochemicals, oil products, general machinery and display panels.

Exports to the European Union, the Middle East and Japan fell 2.0 percent, 0.1 percent and 0.3 percent respectively.

Source: xinhuanet.com- Mar 01, 2020

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Bangladesh's FBCCI seeks closer business ties with Brazil

The Federation of Bangladesh Chambers of Commerce & Industries (FBCCI) recently stressed the need for delegation visits, memoranda of understanding in various sectors and a joint summit so that Bangladesh and Brazil can exploit each other's business potential. FBCCI president Sheikh Fazle Fahim said it would explore options for more cooperation with Brazil.

Fahim met Brazilian ambassador to Bangladesh Joao Tabajara de Oliveira recently in Dhaka.

He said FBCCI is working to establish an Institute for Technical and Vocational Education and Training to create skilled manpower who can work for industrial growth.

Oliveira too expressed his willingness to work together to upgrade Brazil's business ties with Bangladesh, according to Bangla media reports. Bangladesh's cotton is much cheaper than US cotton, but the quality is almost the same, he said.

Bangladeshi businesses could benefit by visiting the Federation of Industries of the state of Sao Paulo while options are there to build partnerships in other areas, he said.

Brazil has a burgeoning recycling sector, an area which the two nations can explore together, he added.

Source: fibre2fashion.com- Mar 02, 2020

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RMG in Bangladesh: Changes in the horizon

The impact of the RMG industry on our national economy has been mostly positive; at least on the surface. Implementation of relatively new technology like data science and machine learning is shifting business practices today. The RMG sector might be in for big changes. And they might be vastly different from your expectations.

How it has worked

RMG and textile industries in Bangladesh have been mostly local in the past. They were efficient at the time, based on the nature of customer demands and buying behavior. And the production schedule matched the seasonal buying behavior of consumers of apparel in the country.

The business model has worked so far so well based mostly on the lower wage demands. The mixture of these few factors, along with many more variables created a favorable environment for textile businesses in the country. And the subcontinent by extension.

How RMG has changed

Automation brought on the biggest string of changes in the textile industry in Bangladesh. We moved on from hand sewn products to a more mechanical approach. But the dexterity of workers in operating machines remains an important factor to this day.

However, the workers are not dexterous enough it would seem. While we remained productive in comparison to our neighbors; hourly productivity remains relatively low from a global perspective. This in addition to rising wage demands and global competition is making our RMG industry less lucrative.

In addition, customer behavior is evolving. We have moved on from seasonal buying to more intermittent strings of purchases.

This is driven by online presence of companies and prompt response times of platforms like Daraz or Aliexpress. We want things fast, and we want them all the time.

Factors of the next big change in RMG

Data analytics and AI is shaping the business environment and taking all business across the world in different directions. New supply chain designs based on Big Data about consumer behavior is shifting processes to a more predictive direction.

Businesses are forecasting demand patterns in consumers and filling demands before they are made. This calibrating of customer demands is affecting textile and even fashion industries by extension.

In addition, machine learning and AI is taking fashion modelling and textile demand in newer, weirder avenues. And all things point to the next big change in textile being brought on by data science and machine learning. By the way, check out this neat article on AI doing funky and potentially kinda bad stuff.

Source: hifipublic.com- Mar 01, 2020

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NATIONAL NEWS

China's loss India's gain? Indian exporters can tap these segments as China reels under Coronavirus

Even as the Coronavirus epidemic has hit the Chinese economy, it is for large economies like India to leverage the current situation to push its exports globally in markets that are vacated by China, according to industry body Assocham. "A large number of engineering exports from India can fill up the market vacated by China," said Assocham Secretary General Deepak Sood, PTI reported.

While Indian traders are having supply challenges as they depend on the neighbouring country for raw materials to export electronics, pharmaceuticals, speciality chemicals and automobile segments, there are multiple segments having increased opportunities for Indian exporters, according to the association.

"Products like leather and leather goods," and "agriculture and carpets," said Sood are the areas for India to tap on. He added that while India needs to "scale up several of our sectors" to take on effectively with China even as the exporters from China are "able to normalise their global supply chain." To fill this market vacated by China, India needs to "approach the issue with a clear strategy," Sood said.

The impact of Coronavirus on China's economy is highlighted in the sharp contraction in its manufacturing sector in February that hit the lowest in around two decades, according to the latest Purchasing Managers' Index (PMI) data. The index went down to 35.7 per cent from 50 in January — 14.3 percentage points decrease, according to the data released by China's National Bureau of Statistics.

From the perspective of enterprise-scale, the PMIs of large, medium and small enterprises were 36.3 per cent, 35.5 per cent and 34.1 per cent, respectively, down 14.1, 14.6 and 14.5 percentage points from the previous month, it said. The deadly virus has also taken a toll on China's employment index that declined 15.7 percentage points to 31.8 per cent from the previous month "indicating that the employment level of manufacturing enterprises has decreased," the data said.

On the other hand, India's merchandise and services exports combined for April-January FY20 stood at an estimated amount of $446.46 billion — 1.94 per cent growth for the same period in the preceding year, according to a statement by the Commerce Ministry last month. Overall imports are estimated to have declined by 4.69 per cent to $510.62 billion during the said period vis-a-vis the preceding year.

Source: financialexpress.com- Mar 01, 2020

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GST collection rises 8.3% in February at ₹1.05 lakh cr

Central and state governments collected ₹1.05 trillion in Goods and Services Tax (GST) revenue in February, a tad lower than the ₹1.1 trillion mopped up in the previous month, official data showed. Collections in February represents an 8.3% growth over receipts in the same time a year ago.

This is the fourth consecutive month of GST receipts remaining above the ₹1 trillion mark this financial year after collections had shown a contraction in October and November from the comparable period a year ago. The improvement in GST receipts comes in the wake of efforts by Central and state government officials to step up compliance.

An official statement from the finance ministry said that 8.3 million monthly summary GST returns have been filed for the month of January, upto 29 February. Tax collections in February refers to transactions in January.

The improvement in GST collections is likely to offer some comfort to the federal indirect tax body, the GST Council, which is expected to meet later this month. Steps to improve revenue receipts and addressing the anomalies in the tax structure are among the issues that are likely to be taken up by the Council.

After settlement of taxes on inter-state supplies, the central government earned ₹43,155 crore in February, while states collectively made ₹43,901 crore.

"With the monthly collections now stabilising at over ₹1 trillion a month, the authorities would now go all out to enhance collections in March so that the GST revenue deficit is reduced to the extent possible," said M.S. Mani, partner at Deloitte India.

Punjab, Delhi and Maharashtra reported 12% growth in revenue receipts in February from a year ago, while Gujarat reported an 11% growth. Karnataka reported a 15% growth in collections in February from a year ago, while Tamil Nadu showed 8% jump, official data showed.

Source: livemint.com- Mar 01, 2020

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Getting closer to a major India-US trade pact

Clearing speculations about a limited trade package before he landed in India on his first state visit on February 24-25, US President Donald Trump had hinted directing mutual negotiations towards a larger Indo-US deal on trade. His overture has found a mention in the Indo-US Joint Statement finally. Prime Minister Narendra Modi and President Trump have achieved that consensus and decided to move the ongoing discussions for a big deal, presumably a deep FTA. This milestone, however, comes with a burden to find and deepen convergences between Modi's 'open, fair and balanced' and Trump's 'fair and reciprocal' approaches to trade. It is going to be one of the intriguing elements in view of Modi's latest designation of bilateral relations as a 'comprehensive global strategic partnership'.

If mega events are to be a yardstick, then it becomes implausible for nations to avoid delaying mutual trade and economic reconciliation any further. Put together, a spectacular mark of support by millions of people in 'Howdy, Modi!' on September 22, 2019, in Houston, and 'Namaste Trump' on February 24, 2020, in Ahmedabad is no less than a mandate for taking Indo-US relations to higher levels.

Noticeably, Trump made a standalone visit to India, unlike his predecessors. It was also his first state visit since he became the President in 2016. He came against the backdrop of transformational changes experienced in bilateral trade over the last 20 years. In 2001, the bilateral trade was $20 billion. In 2018, it was $142 billion—the increase from 2017 to 2018 alone was $17 billion. It has crossed $150 billion in 2019. The US has surpassed China to become India's largest trading partner. Growing US defence, energy including civil and military aircraft imports by India apart from cooperation on higher education was applauded by the two leaders.

Hitherto, postponement of a limited trade deal on various occasions has disappointed businesses and people on both sides. But frantic debates and interactions on contentious issues pertaining to agriculture, data localisation, medical devices, marine food, electronics, H1B visa, intellectual property, tit-for-tat tariffs, among other market-access barriers, seemed to have fostered mutual understanding.

It is now time to leverage that out and work out synergies between the varying (and possibly converging) approaches of the two leaders on trade. Not only will that improve mutual understanding, but also help facilitate a holistic framework for growing qualitative and quantitative nuances in the relationship.

As part of that, other than removal of tariffs on India's steel and aluminium levied by the US on grounds of national security, removal on restrictions on H1B visa and restoration of the preferential treatment under the Generalized System of Preferences (GSP), India should pursue the revocation of the US's withdrawal of India from its developing country list.

The unilateral removal of developing country category can prove to be intimidating as besides possibly laying constraints to India's demand for GSP restoration, it may aim at employing greater scrutiny of Indian regulations, which, if not dealt well, could exacerbate mutual acrimony on trade and economic issues.

Similarly, markets access to the US—for medical devices and agriculture, other than issues pertaining to intellectual property—must be aligned by India with its development and moral priorities. A recent knowledge-sharing pact to enrich IPR systems of both the nations is a step in that direction. On issues related to market access for US dairy products, both the sides should work towards finding mutually-acceptable and innovative solutions. For example, cooperation in defining standards as well as testing and certification infrastructure and services culminated through mutual recognition agreements (MRAs) could be a way forward. Besides furthering cooperation on standards, the extent should go beyond to also cover 'end-to-end encryption' of cross-border data flows and 'end-to-end certification' of high-end technology as well as advanced material imports—for example, under the growing civil-nuclear cooperation.

It may also be useful to look at the US-Mexico-Canada agreement in defining the 'scope' and 'intent' of an Indo-US big deal on trade. That could help the negotiators in drawing synergies between Modi's 'Make for India and Make from India' economic construct and related US domestic and global priorities.

On implementation, a model framework that is not liberalisation- but development-centric—like the WTO's Trade Facilitation Agreement—as also proposed by Mehta and Kulkarni in their recent article could be developed. Not only will that help develop a holistic framework for a big trade deal between India and the US, but also facilitate mechanisms to define and address immediate, interim and long-term issues.

In a phased manner, it will help India to identify the required technical assistance and capacity building needs from the US. Further, such a deal would help the US maximise its economic interests domestically and globally, as also help India address its wrenching socioe-conomic priorities amid growing demographic challenges.

Both the nations should chart out a holistic framework for 'people-driven' and 'people-centric' bilateral relations, particularly on trade. These should be based on economic complementarities, development stages and priorities, shared values, people-to-people contact, and geopolitical linkages. Hope the meeting will sooner rather than later help Indians and Americans realise shared dreams.

Source: financialexpress.com- Mar 02, 2020

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Govt starts looking for alternatives to China to import over 1,000 items including electronics

The Centre has now started looking for alternatives to China to source 1050 items including textile fabrics, antibiotics like amoxicillin and erythromycin, vitamins and insecticides, semiconductor devices. China accounts for over 50% of India's imports, which has been hit due to coronavirus spread.

According to a report in the Times of India, the commerce department, which has already held at least one round of detailed consultations, has shot off letters to Indian missions across the globe to identify potential suppliers.

A detailed analysis of potential markets has been undertaken and shared with other ministries and foreign missions, the publication mentioned citing sources.

For instance, in the case of antibiotics, Switzerland and Italy were identified as potential sources given they are among the top exporting countries. Like India, other countries are also chasing this source to import antibiotics.

Although there has been a positive response from some of the countries, getting an alternative source for the supply of electronics and mobile phones and their components is proving to be a tough task given the complete dominance that China has in the sector.

The ToI report said that Commerce & industry minister Piyush Goyal is scheduled to hold detailed consultations in the coming week to move forward with the strategy and also seek measures to boost local production wherever possible.

A key theme of the minister’s discussions with government agencies and industry representatives will be to implement a plan to push the export of 500-550 items where India has the potential to fill the gap created by China.

A preliminary analysis following detailed discussions by the commerce department has shown that the situation is particularly grim in the case of pharma and chemicals, smartphones, electronics and white goods and plastics, where India depends on China for a bulk of its imports, the report mentioned.

Besides, there are sectors such as textiles yarn, certain organic chemicals and gems and jewellery, which are seeing an adverse impact on exports given that China and Hong Kong are major buyers.

Source: timesnownews.com- Mar 01, 2020

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India can fill up export market space vacated by China due to coronavirus: Assocham

With the Chinese economy getting impacted due to the coronavirus outbreak, India can push its exports in the global markets to fill up the space vacated by the neighbouring country, industry body Assocham said on Sunday.

It said Indian exporters of electronics, pharmaceuticals, speciality chemicals and automobile segments depend on China for raw material and are facing supply constraints, but there are several areas where there are increased opportunities for domestic traders.

"Barring a few segments, a large number of engineering exports from India can fill up the market vacated by China; so is the case with products like leather and leather goods," Assocham Secretary General Deepak Sood said.

He said India can also tap the opportunities in segments like agriculture and carpets. "We also need to scale up several of our sectors to compete effectively with China even when the Chinese exporters are able to normalise their global supply chain," Sood said.

He also said while the health emergency of the Coronavirus epidemic is a matter of grave concern for the entire world, it is incumbent on larger economies like India to fill up the gaps in the global market and there is a need to approach the issue with a clear strategy.

According to the latest PMI (Purchasing Managers' Index) data, China's factory output level in February has plummeted to the lowest in about two decades, and the consequences are bound to be felt in the global market, Assocham said.

"While India's merchandise exports have contracted by 1.93 per cent between April-January period of the current fiscal, the coming few months can provide our exporters greater market access in the absence of usually aggressive and competitive Chinese suppliers," it added.

Source: economictimes.com- Mar 01, 2020

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Tamil Nadu to set up technical textiles park in Salem

Close on the heels of the Government of India announcing a Rs 1,480-crore National Technical Textiles Mission, the government of Tamil Nadu has decided to set up a 'technical textiles park' in Salem.

In an informal chat with BusinessLine on the sidelines of the annual meet of the Tamil Nadu chapter of the Confederation of Indian Industry (CII), the state's Chief Secretary, Mr K Shanmugam, said that the government has planned two textile parks, in Tuticorin and Salem. The one in Salem would be for technical textiles, he said.

'Technical textiles' are textile material and products used for their technical performance rather than as personal clothing. They could be anything ranging from bullet proof and fire proof jackets and to sheets used in surfacing of roads and those used in medicines, such as bandages and gloves. Technical textiles are conventionally divided into 12 broad categories: Agrotech, Buildtech, Clothtech, Geotech, Hometech, Indutech, Mobiltech, Meditech, Protech, Sportstech, Oekotech, Packtech.

The Indian market for technical textiles is estimated at $16 billion (Rs 11,500 crore) and is growing at 12 per cent. The National Technical Textiles Mission aims to grow the market by 15-20 per cent a year, so that it reaches a size of $ 40-50 billion by 2024.

The global market for these products is estimated at $ 250 billion and is growing at 4 per cent a year. As such there are great export opportunities.

The industry has welcomed the idea of Tamil Nadu, one of the textile hubs of the country, giving the technical textiles sector a push. "The Kongunadu region, comprising towns such as Coimbatore, Tiruppur, Salem and Erode, is a place where good fabric is produced; setting up a technical textiles park here is a very good idea," says M Raja, founder and President of the Coimbatore-based Saastha Technical Textiles.

R Jeyamohan, Project Director, TexValley, a marketing center for textiles near Salem, also welcomed the idea of a technical textiles park in Salem, but stressed that there should be tie-up with the buyers.

K Hari Thiagarajan, Executive Director of the Madurai-based Thiagarajar Mills, who took over today as the Chairman of the Tamil Nadu chapter of CII, said that the government should also support in marketing technical textiles, perhaps by organizing buyer-seller meets.

Source: thehindubusinessline.com- Feb 29, 2020

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India exports kid's wear worth $265.74 million to the US

OTEXA's figures indicate, India exported kid's wear worth $265.74 million to the US in 2019. That's around 12 per cent of total kid's wear import value of the US, which stood at $2.26 billion. India noted rise despite the US falling in its kid's wear by 3.11 per cent on Y-o-Y basis.

hina, with an export value of $840.50 million, again became an epicentre of this disruption as it plunged by significant 16.05 per cent and gave an opportunity to other countries to capture the shift.

Data suggests India was able to grab the shift due to its ability of making quality kid's wear. The closest competitor for India in the US market is Vietnam, which shipped $260.51 million worth, marking 12.18 per cent growth. It is believed that moving business from China is bound to go to Vietnam, which interestingly did not happen in kid's wear category in 2019, if data is anything to go by.

Bangladesh's growth too remained decent as it upped it kid's wear export to the US by 8.18 per cent to ship $207.93 worth of kids' apparels. Bangladesh is diversifying successfully in product categories other than basic commodities like T-shirts, trousers and shirts.

Source: fashionatingworld.com- Feb 28, 2020

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Mandatory for government departments to make 20 per cent handloom purchase from KVIC, registered weavers

In order to boost the khadi industry, the finance ministry has asked all government departments to mandatorily buy at least 20 per cent of their textiles requirement from KVIC, handloom clusters and registered weavers. In order to implement this change, the Ministry of Finance has amended Rule 153 of General Financial Rules (GFR) 2017.

Till now, the central government had reserved all items of hand spun and hand-woven textiles (khadi goods) for exclusive purchase from Khadi Village and Industries Commission (KVIC).

As per the amended rule, "of all items of textiles required by the central government departments, it shall be mandatory to make procurement of at least 20 per cent, from amongst items of handloom origin, for exclusive purchase from KVIC and/ or handloom clusters".

The handloom clusters include co-operative societies, self help group federations, joint liability group, producer companies, corporations including weavers having 'pehchan cards', said a recent circular from the Ministry of Finance, Department of Expenditure Procurement Policy Division (PPD).

In the Union Budget presented to Parliament on February 1, Finance Minister Nirmala Sitharaman had increased the allocation for 'khadi, village and coir industries' to Rs 1,525.94 crore for the next fiscal.

Source: economictimes.com- Mar 01, 2020

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Textile exporters sniff gains following supply chain disruption in China after Coronavirus outbreak

Textile producer BSL Ltd, one of the major players in fabric, believes India may be able to grab more market share following the supply chain disruption in China after the breakout of Covid-19.

India and Turkey are the two major producers of fabric, apart from China, which is the dominant player. BSL, which earns 60-65 per cent of its revenue from fabric exports (suitings and furnishing), expects robust sales from the overseas markets.

“The coronavirus outbreak could turn out to be a huge opportunity for us in India. Buyers will realise that they cannot do business depending on a single source (China). In the long run, they have to hedge their sourcing from other locations such as India,” Nivedan Churiwal, joint managing director of BSL, said.

BSL, which exports to 60 countries, sniffs the maximum opportunity in home furnishing for the overseas market. It sells to various customers, including retailers such as Ikea.

Industry analysts agree that there may be a long-term opportunity but it would depend on the duration of the disruption.

“If it (trade disruption linked to Covid-19) goes on for a year or so, there may be. But if China comes back to the market quick, it would be able to get back lost market share,” Abhishek Rathi, senior analyst with India Ratings & Research, said.

Many textile players have received supply enquiries from overseas players who want the shipment within weeks. “For most companies, it may not be possible because of supply constrains,” Rathi added.

India exports Rs 2,400 crore worth of fabric every month with the US, New Zealand and West Asia being some of the top buyers. Analysts said gains from the virus can only be said to occur if unscheduled orders, presumably prompted by China’s failure to supply, are repeated over a significant period of time.

Domestic focus

Aware of the ground reality of world trade, BSL, like other textile players, is also focusing on the domestic market.

Previously known as Bhilwara Suitings Ltd, BSL is one of the few major producers in the organised sector. It is now looking to revamp the identity of the 50 -year-old Bhilwara brand, expand wholesale and retail touchpoints and add a super premium suiting range.

It has set aside a budget of Rs 20-25 crore for ad and marketing spends, quadruple the retail network to 6,000 across the country in two years and introduce a super premium brand.

Source: telegraphindia.com- Mar 02, 2020

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Reliance Industries acquires 37.7% stake in Alok Industries

Alok Industries allotted 83.33 crore shares to RIL

Alok Industries Ltd on Saturday allotted 83.33 crore equity shares of ₹1 each at a premium of ₹2 per equity share for cash at a total consideration of ₹250 crore to Reliance Industries Ltd (RIL). Pursuant to this acquisition, RIL will hold 37.7 per cent equity share capital of the Mumbai-headquartered integrated textile manufacturer.

In a stock exchange notice, RIL said the acquisition is in accordance with the approved Resolution Plan. RIL further said that in accordance with the approved Resolution Plan, Alok Industries has today also allotted 250 crore – 9 per cent optionally convertible preference shares (OCCP) of ₹1 each for cash at par, for a total consideration of ₹250 crore to RIL.

In March 2019, RIL had intimated the exchanges regarding approval by the National Company Law Tribunal, Ahmedabad Bench (NCLT) of the Resolution Plan, jointly submitted by RIL and JM Financial Asset Reconstruction Company Ltd (JMFARC) for acquisition of Alok Industries under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016, vide its order dated March 8, 2019.

"Approval of National Company Law Tribunal, Ahmedabad Bench and Competition Commission of India have been received . The acquisition does not fall within related party transactions and none of RIL's promoter/ promoter group / group companies have any interest in the transaction," RIL's statement said.

Alok Industries, incorporated in India on March 12, 1986, has interests in polyester and cotton segments. It has a product suite comprising cotton yarn, apparel fabrics, bed linen, terry towels, embroidery, garments and polyester yarn. It has representative offices for sales promotion in Sri Lanka and Bangladesh

As per RIL's statement, Alok Industries turned around in FY19, posting a net profit of ₹2,284 crore against a huge net loss of ₹18,207 crore in FY18.

Source: thehindubusinessline.com- Feb 29, 2020

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Coronavirus: India suspends visas, e-visas for Iranians & other foreigners who have been to Iran after Feb 1

India on Saturday suspended e-visas/visas issued to Iranian nationals with immediate effect in wake of coronavirus outbreak there. Visas/e-Visas issued to other foreign nationals who have travelled to Iran on or after February 1, 2020, also stand suspended.

"Such foreigners may not be allowed to enter India from any air, land and seaport. All concerned airlines are hereby advised not to accept such passengers. This order starts with immediate effect and shall remain in force till further notice," the Bureau of Immigration (BoI) said in an order on Saturday. In another order issued Saturday, the Bureau of Immigration sought separate immigration facilities at Chennai airport for passengers coming from 13 countries which have seen the outbreak of this endemic.

"In view of the threat posed by the COVID-19, passengers coming from China, Hong-Kong, Singapore, Thailand, South Korea, North Korea, Japan, Indonesia, Malaysia, Nepal, Vietnam, Iran and Italy are to be screened by the airport health officials (APHO) in the airport.

After health screening, for immigration service for passengers coming from those 13 countries may be directed to the left side of the immigration area for exclusive clearance," the Foreigners Regional Registration Officer (FRRO), BoI, Chennai, said in the order.

"Airlines operate/bringing passengers from these countries may announce on board to directing passengers to come to immigration clearance in the left side of the area. Passengers coming form other than these 13 countries may be directed to the right side of the immigration area.

Airline staffs may be briefed and post sufficient airline staffs in the entrance of immigration area to guide the passengers. This starts with immediate effect and shall remain in force till further notice. The matter is informed for relaying to all airlines," the Chennai BoI order says.

Source: timesofindia.com- Feb 29, 2020

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Kaskom's cotton campaign

There has been quite some momentum in the area of locally sourced products and produce, with sustainability in mind, but there is little being done to ensure that even khadi uses indigenous cotton in its processes.

While Kaskom — the indigenous cotton project from Tamil Nadu — has been doing its part in contributing to this lacune, it's tied up with Japan- based Calico to bring to Chennai the first of its kind farm-to-fabric expo. An effort to bridge the divide between local producers and would-be consumers, the fair organised at Mylapore's Sarangi is set to host a whole range of fabrics and food from different parts of the state.

And Swaminathan, the founder of Kaskom, couldn't be more excited. "Kaskom is a body that promotes indigenous cotton across India. We're trying to revive the breeds. In Tamil Nadu, the work has been standardised. Now, we're trying to work with farmers in Karnataka. Calico, run by Fumie Kobayashi, has a base in New Delhi too. She has been working with weavers in Bengal and Kutch where textile-related craft forms are still alive.

She is trying to revive it and project it in a way that's marketable too. We have been sitting together for two years now. In Chennai, we wanted to begin with a pop-up exhibition and gauge the response the city has for handloom products and desi cotton made fabrics and crafts," he says.

While Kaskom will bring in the work of farmers from Dindigul, Fumie's Calico products will be sourced from the states she works in. With this expo, they plan to introduce yet another world of local crafts to the Chennai audience.

The fair would not only offer products for sale, but it is also set to provide an overview of the many processes of the textile value chain. The three-day affair, set to begin today, has plenty in store. You have to be there to find out what might grab your attention. The expo will be held at Sarangi, Mylapore, from today until March 4, 10 am to 8 pm

Source: newindianexpress.com- Mar 02, 2020

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