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USD 66.94| EUR 78.11 | GBP 89.35 | JPY 0.61

Cotton Market (1-6-2018)

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

Rs./Bale	Rs./Candy	USD Cent/lb
20724	43350	**82.04**

Domestic Futures Price (Ex. Gin), June

Rs./Bale	Rs./Candy	USD Cent/lb
22060	46144	**87.33**

International Futures Price

NY ICE USD Cents/lb (July 2018)	93.15
ZCE Cotton: Yuan/MT (Jan 2019)	18,900
ZCE Cotton: USD Cents/lb	**113.67**
Cotlook A Index – Physical	**94.45**

Cotton guide: Cotton on Thursday halted after the sharp correction on Wednesday. Price traded in the range of 91.74-93.75 and settled at 93.15. Price gained by 66 points with lower trading volume. The ICE July has corrected after testing the 2014 highs during the week. The pessimism also built in after US president Donald Trump plans to impose tariff on $50 billion of Chinese goods. The escalation of the trade dispute may weigh on the cotton price which has been on a rising trend. The rally of cotton may top out following the latest rally spurred by crop concern in US and China.

This scenario can be positive for Indian cotton as the Chinese may shift towards Indian cotton. The weak INR will also support the Chinese buyer for the Indian cotton especially the lower quality grades which are quoting lower in price. On the other hand any further crop concern in Northern Hemisphere can spurt further rally in ICE cotton price.

On the domestic front, spot price traded down by 150 points and settled at 21280/bales. The daily arrivals stood steady around 50 to 55K bales. The futures have been quite volatile; the active June had made an intraday low of Rs. 21860 per bale however, posted a close at Rs. 22060 per bale. For the day we expect market to remain sideways and the trading range for the day would be Rs. 21800 to Rs. 22200 per bale with a neutral bias.

Indian rupee- Indian rupee appreciated by 0.07% to trade near 67.28 levels against the US dollar. Rupee has benefitted from some stability in crude oil price and correction in US dollar against major currencies. Crude oil price are off recent highs as market players assess impact of US decision to withdraw from 2015 nuclear deal.

The US dollar index has come off recent highs as disappointing inflation data dented market expectations of faster rate hikes. Rupee has fallen sharply in last few days and some correction is likely however we may not see much appreciation unless crude oil price correct. USDINR may trade in a range of 67.05-67.35 and bias may be on the upside. Further cues will come from inflation data. Market players are also positioning for outcome of Karnataka elections tomorrow.

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

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INTERNATIONAL NEWS

Trade is a vitally important driver of opportunities for small businesses

Small and Medium-sized Enterprises play vital roles in national economies particularly in terms of providing innovation, growth and job creation, more than might be expected from their relatively smaller share of international trade than large multinationals. Information compiled by the WTO suggests that SMEs provide around two-thirds of total employment in both developing and developed countries. Moreover, SMEs contribute around 35% of GDP in developing countries, and around 50% of GDP in developed countries. Yet exports make up less than 8% of sales of SMEs in developing countries, as compared to 14% of sales of large firms. It's a similar story in developed countries, large firms export much more than small ones.

SMEs could contribute more to world trade

One persistent obstacle for SMEs is divergent standards and regulations. Just to give one example, SME textile producers have to deal with different regulations and testing procedures for flammability of clothing in the EU and US. The cost burden of double testing can prevent small producers from gaining access to one or the other market, while larger rivals can more easily spread these costs across a larger number of sales. To give another example, a Nepalese SME that exports coffee faces demands from buyers in Japan or Australia for different organic or quality certifications. Because the cost of these different certifications is very high, the SME can't diversify its export markets.

A European Commission report (2015) on SMEs and TTIP showed that regulatory issues SPS and TBT are the most frequent challenge facing European SMEs when exporting to the United States, representing around 30% of all issues raised by some 869 European companies .The perspective from the other side of the Atlantic is much the same. Standards and regulations are identified by American SMEs as one of main trade barriers for accessing the EU market according to the United States International Trade Commission. And these are two economies, given their major efforts at providing the public with information and lengthy bilateral relationship, between which one would expect the easiest access. One can assume that the rest of the world is no better.

So what is the problem?

Transparency is not at all as good as it could be, and it hits SMEs especially hard. Overcoming lack of information about requirements and how to comply is a cost that smaller firms find difficult to bear. The unexpected introduction of more stringent regulations can be the final straw for SMEs that are already fighting hard to reach markets against fierce competition, high costs and the capacity of larger rivals to locate, influence and adjust to standards.

Unnecessarily high costs from standards which are unnecessary or unjustified are particularly difficult to swallow. To gain access , foreign manufacturers may need to redesign products specifically for that one market when the required level of health or safety protection is already achieved by its existing products; or when products must undergo duplicative or excessively burdensome inspection, testing or certification procedures, according to WTO.

A recent (2016) ITC study found that a 10% increase in the frequency of regulatory or procedural barriers to trade decreases export revenue of large firms by 1.6%, while for SMEs, export revenues decrease by 3.2%.

These types of barriers can prevent SMEs from expanding their share in international trade, and deprive economies of the multitude of important benefits they provide.

NTMs and standards

Non-tariff measures, like regulations and standards, pose a particularly thorny challenge for trade policy.

On one hand, they are essential public policy tools for governments, used to protect vital interests such as health, safety or the environment. On the other hand, they can be particular malignant trade barriers.

While a tariff might make a product more expensive, it usually does not completely block access to the market. If you don't meet standards, you can't get in the door.

Regulatory barriers are often nebulous, yet very technical, and information about them is at a premium. A small business owner might be able to see the tip of the iceberg from afar, but she likely does not know the extent of what lurks beneath the ocean's surface.

These barriers don't just affect a handful of sectors; they infect trade all across the economy. A recent UNCTAD study looking at data from December 2017 covering 109 countries and 90 per cent of global trade, found that TBT measures are the most frequent form of NTMs, affecting 65 per cent of world trade in terms of value, and 35 per cent of product lines.

Yet we can't live without standards and regulations. They are necessary for compatibly and interoperability in an ever more interconnected world with value chains that are fragmented and geographically dispersed. They are critical tools for addressing shared global challenges in spheres from health to the environment, and living up to our shared commitment to the SDGs. Standards help deliver needed trust and confidence throughout the supply chain. More than that, standards provide incentives to innovate and cooperate, and help disseminate innovations.

The burden stems from divergence. Too many different standards and regulations quickly multiply the costs of international exchange. According to a 2016 OECD report, regulatory differences hit SMEs particularly hard, since they must spread fixed costs of compliance across smaller amounts of revenue. Internationally agreed standards which provide a common reference point help bring regulations closer. Greater alignment on the basis of international standards eases the burden on SMEs, as they no longer are faced with a need to comply with an array of divergent requirements.

SMEs and standards – challenges and opportunities

The situation of SMEs and standards in global trade today presents a range of challenges and opportunities. I will highlight four areas, and share some ideas.

Improving access to information and transparency

Gaining access to information on product requirements imposes costs on firms engaging in trade, and for SMEs this can be a substantial barrier to market entry.

WTO Members are beginning work in this area that holds considerable promise. At the WTO's 11th Ministerial Conference in Buenos Aires in December, 88 countries accounting for 3/4 of world trade laid down foundations for new work on SMEs in the WTO. They formed the Informal Working Group on MSMEs which is discussing and exploring ways to make the multilateral trading system work better for SMEs. Improving transparency and access to information is one focus of this work. You can contribute. Member governments can use your guidance as to where you see the problems and how best to solve them.

Another avenue for making a contribution: The TBT and SPS Agreements have well-functioning notification procedures that give members and stakeholders the opportunity to comment on other members' draft regulations before the enter into force. In 2017 alone, more than 4000 new or changed regulations were notified, which disseminates information about requirements freely accessible to all.

The WTO also has an alert system for notifications called ePing, allowing the private sector, and in particular SMEs, to get email alerts on measures that might affect their market access. Nearly 50% of subscribers to ePing are from the private sector, and we have received a lot of positive feedback as to efficiency gains in obtaining access information on notified regulations of interest. I recommend it to you. In addition, the Global Trade Helpdesk, a joint ITC-UNCTAD-WTO initiative, is another important effort building upon ePing and other mechanisms to improve access to trade-related information for MSMEs, including on TBT and SPS measures.

The WTO has a vibrant set of Committees that enjoy strong private sector input through WTO member delegations. Discussion of specific trade concerns in the TBT and SPS Committees builds on the foundation of the transparency and notification system, to find solutions to regulatory differences that are impeding trade. Usually the interests of larger firms are better represented, but there is no reason the SME voice can't be heard just as loudly.

Transparency is a mainstay of the normative work of the Committees, building up guidance and best practice through recommendations. The ongoing Eighth Triennial Review of the TBT Agreement, which will conclude in November 2018, will likely culminate in recommendations to improve the notification process and the functioning of enquiry points.

Standards makers or takers?

It is important for SMEs to recognize the significance of the standards development process. SMEs should help formulate standards, not just take them. SMEs need to enhance their voice in the standards development process.

You are of course well aware of the constraints you face, such as lack of resources, or knowing what the relevant standard is and assessing its implications. Standardization is a long term investment. But it is absolutely essential to overcome these constraints and make that investment. You should have a seat at the table to ensure the rules of the game – in which you also play a significant part – also address your interests.

International standards bodies have great responsibility to ensure that their standards are relevant and appropriate. The TBT Agreement Code of Good Practice and TBT Committee Six Principles provide important guidance in this respect to ensure transparent, open, coherent, relevant and impartial standards development processes, which take into account concerns of developing members and firms of all sizes. The SME voice is part of ensuring consistency with the spirit of the TBT Committee's 6 principles.

Standards bodies should consider how to enhance transparency on their draft standards to give SMEs better opportunities to engage throughout the process of setting and articulating standards. Once standards are published, standards bodies should explore better ways to help SMEs gain access to adopted standards.

The work of SBS is important here, and I encourage you to continue these valuable efforts. International standards bodies can and should better engage with SMEs to ensure they develop globally relevant standards, for all players in the economy.

Conformity assessment

Conformity assessment creates significant barriers for SMEs. While all firms face costs from unnecessary differences between markets in respect of testing, certification, audit or inspection procedures, the impact on SMEs is often particularly burdensome.

A recent survey of EU exporters conducted by the ITC found that conformity assessment producers is first (accounting for 32%) among the types of problems faced in connection with what were termed "burdensome" regulations.

Similarly, in a European Commission report on SME access to the U.S. market, conformity assessment was highlighted as a particularly problematic barrier by EU SMEs for pharmaceuticals; chemicals ; textiles, wearing apparel and leather products; and machinery, electrical, electronic and other transport equipment.

A key piece of the puzzle is access to quality infrastructure, including conformity assessment, standardization and metrology. This is a persistent challenge for developing and least-developed countries. Without access to adequate quality infrastructure, SMEs and other enterprises cannot engage successfully in trade.

Finding better ways to ease the burden of conformity assessment on SMEs is a priority. Duplicative or overly burdensome testing and certification requirements might be a frustration for multinationals, for SMEs it can be an insurmountable wall.

It is important to explore regulatory models that can lower the burden of conformity assessment on SMEs, without compromising health and safety protection. I am aware in the EU that there are some efforts to lower procedural burdens on SMEs of compliance, I would encourage more research to identify other ways to help reduce conformity assessment burdens on SMEs.

The WTO Secretariat has engaged with international organization such as UNIDO on how such issues can be addressed for instance in quality infrastructure policies.

Electronic commerce

MSMEs are going to account for an increasing share of world trade in the soaring area of electronic commerce. WTO Members are further exploring the issue of e-commerce.

At our Buenos Aires Ministerial meeting, 71 WTO Members representing about three-quarters of world trade (77%) and world output “committed themselves to a program of exploratory work which they expect will lead to negotiations" on electronic commerce.

Electronic commerce is helping to break down barriers to low SME participation in international trade. Reports from eBay found that around 97 per cent of internet-enabled small businesses export, while export participation rates for traditional SMEs range between 2 per cent and 28 per cent in most countries.

Electronic commerce creates many new opportunities for SMEs to gain access to global markets, but not without challenges.

To reach its full potential, it is necessary to gain the trust and confidence of consumers and regulators. As electronic commerce grows, regulators may seek new or additional ways to ensure that products bought online are safe and comply with relevant standards and regulations.

The burden of new regulatory solutions can be expected to fall more heavily on SMEs. It will be worth considering how the SME community can spark ideas, and avoid potential regulatory risk down the line.

I encourage you to think of innovative ways to deliver confidence and assurance in products traded through ecommerce channels. Here new technologies could play a role. You of course will have better ideas.

Source: finchannel.com- June 01, 2018

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USA: Abercrombie, Levi Strauss Lament Apparel Tariff Threat

Any trade war that emerges between the U.S. and its allies would have far-reaching consequences for consumers worldwide, according to apparel companies Levi Strauss & Co. and Abercrombie & Fitch Co.

The companies expressed their concern ahead of threatened tit-for-tat tariffs from the European Union, Canada and Mexico on U.S. goods such as jeans, Harley-Davidson motorcycles and bourbon. The EU measures would be a response to U.S. duties on imported metals from the EU, Mexico and Canada starting Friday.

The tariffs are "one more thing to lose sleep on in this industry," Abercrombie & Fitch Chief Executive Officer Fran Horowitz said in an interview. As tariff threats have heated up, the company has worked to reduce its dependence on China and increase the agility of its supply chain, Chief Operating Officer Joanne Crevoiserat said.

Levi Strauss called for "open markets and free trade where everyone plays by the rules," the company said in an emailed statement.

"Unilateral tariff impositions risk retaliation and destabilizing the global economy, in which case American brands, workers and consumers will ultimately suffer."

Levi Strauss pledged to work with its industry peers to bring the issue to the attention of U.S. and EU authorities on "how these decisions will impact not just our business but consumers and the millions of people across our supply chain."

Steps to Retaliate

The EU said it would take immediate steps to retaliate to the U.S. tariffs, while Mexico vowed to impose duties on everything from U.S. flat steel to cheese. Canada's government announced it will impose tariffs on as much as C$16.6 billion ($12.8 billion) of U.S. steel, aluminum and other products from July 1.

The apparel companies' comments follow condemnations of tariffs from groups such as the U.S. Chamber of Commerce and the Alliance of Automobile Manufacturers.

The tariffs will hit just as Abercrombie's sales are starting to improve. The teen clothing retailer reported better-than-estimated quarterly results on Friday, saying the apparel industry has been benefiting from rising consumer confidence in the U.S.

Source: bloomberg.com- June 01, 2018

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EU does tit for tat

The European Union will slap 25 per cent tariffs on imports from the United States.

Those include men's and women's blue jeans, T-shirts, shorts, men's synthetic woven industrial and occupational trousers, cotton woven bed linen that is not printed, and footwear with upper and outer soles of leather not covering the ankle.

This is in response to the US' decision to place tariffs on aluminum and steel coming from some of the country's closest trading partners: Europe, Canada and Mexico.

In many ways, the European Union's imposition of tariffs on apparel is reminiscent of five years ago when the EU increased a tariff on women's blue jeans made in the United States.

That tariff rose from 12 per cent to 38 per cent due to another trade dispute, costing some Los Angeles denim makers as much as 2,50,000 dollars during a six-month period.

In 2017, the United States shipped 690 million dollars in apparel to the European Union's 28 countries compared with 720 million dollars in 2014.

The other side of the issue is the cost of increased tariffs on aluminum and steel. Canada, Mexico and Europe account for more than half of the imports of those two metals coming into the United States. Anyone who uses aluminum or steel will see price increases.

Source: fashionatingworld.com- June 01, 2018

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Apparel brands take a closer look at sourcing after cotton ban

- U.S. Customs and Border Protection (CBP) has filed a detention order banning all U.S. imports of cotton or products made with cotton from Turkmenistan, after discovering state-orchestrated forced labor.
- The detention order follows an April 2016 petition to CBP from the International Labor Rights Forum to ban all imports of Turkmen cotton "based on overwhelming evidence it is produced with forced labor."
- While direct trade between the U.S. and Turkmenistan is relatively small ($13.8 million imports in 2017), the Central Asian country exports cotton to Turkey, Pakistan, India and China. Apparel brands producing garments from those nations will need to pay attention to their cotton sources, Patricia Jurewicz, director of the Responsible Sourcing Network, told Supply Chain Dive.

Knowing the origin of a garment isn't as simple as taking a look at the "made in" label. While a T-shirt may be manufactured at a factory in Asia, the raw materials could come from all over the world.

More than 80 countries worldwide produce cotton, and "spinners blend a lot of their cotton and mix it together from several different countries to maintain consistency and quality," Jurewicz said.

With CBP's detention order on Turkmen cotton, the challenge for apparel brands is knowing the source of cotton in their products — or they risk having their products turned away at the border. "Most brands are not buying yarn," she said, "And they don't have the relationships with yarn and textile mills."

When forced labor was discovered in cotton harvesting in Uzbekistan, nearly 300 brands and retailers, including Adidas, H&M and Fruit of the Loom, signed a pledge to eliminate Uzbek cotton from their supply chain.

Making that changed required more visibility beyond tier 1 and stronger, more open relationships with suppliers. A similar pledge for Turkmen cotton has been created.

In addition to working with suppliers, brands need to assess risk. Nearly three-quarters of cotton exports from Turkmenistan go to Turkey. If an apparel brand has a production facility in Turkey, there's a higher risk Turkmenistan cotton is in their products, Jurewicz said.

The good news for apparel brands is cotton is a common good, so finding an alternative source won't be too difficult. But it does require an awareness beyond tier 1 of the supply chain, and for some, a shift in sourcing decisions.

Source: supplychaindive.com- June 01, 2018

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Hong Kong: Automation biggest need for apparel industry

In the face of inflation of wages, energy and food and commodities, automation and investment in technology has become the biggest opportunity and need of the apparel industry considering how labour-intense the industry is, said Sanjay Mahtani, owner, Must Garment Corporation. The firm has benefitted by investing in RFID production technology and nanotech.

“We have invested heavily in RFID production technology and nanotech and foam dyeing for our wet processing. Some of these efforts have brought about as much as 98 per cent savings in water and huge savings in energy and chemicals that are used in the production of our garments, said Mahtani in an exclusive interview with Fibre2Fashion.

Talking about the impact of Donald Trump’s election as the president of the US, Mahtani said, “We manufacture goods in Bangladesh and the Middle East.

The new US policies were helpful in some ways, but not in others. In the Middle East, there are no likely TPL extensions possible; hence, the duty-free status will go away in a lot of the countries that have impacted us in Bahrain and Oman, and now we are moving to Jordan which has a more stable FTA. On the other hand, pulling out of TPP perhaps put the brakes on the possible duty-free status in Vietnam, which might assist us in the long term."

Mahtani believes that even post Brexit, the UK will continue to have the same GSP rules that exist in EU.

Must, a manufacturer and supplier of high-quality garments, supplies products to some of the top brands like JC Penney, Walmart, Macy's, Target, Ann Taylor and Amazon. It has manufacturing units in Bangladesh, Jordan and Oman that manufacture over 60 million pieces per year.

Source: fibre2fashion.com - June 02, 2018

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Turkey's exports up 12.2 percent, reach $13.96B in May

Turkey's exports, which have been increasing steadily for the last one-and-a-half years, soared 12.2 percent to reach $13.96 billion in May compared to the same month last year, hitting a new all-time monthly high, the Turkish Exporters' Assembly (TIM) announced Friday.

On a quantity basis, the country's exports increased by 3.8 percent to reach 10.5 million tons year-on-year in the month, TIM data showed.

May export figures were announced with the participation of Economy Minister Nihat Zeybekci at Menderes Textile's garment factory in Sarayköy, Denizli.

TİM stressed that the country's 12-month exports also jumped 10.2 percent year-on-year to $161.7 billion.

The country exported goods worth $69 billion during the first five months of 2018, up 9.3 percent over the same period last year, according to TIM.

Turkey's exports were at $13.9 billion in April and $157.02 billion in 2017, according to the Turkish Statistical Institute (TurkStat).

This May, 19.8 percent of Turkey's exports came from the automotive sector at nearly $2.8 billion, up 7.9 percent compared to May 2017, TIM data showed.

Auto sector exports were followed by the clothing ($1.49 billion) and chemical products ($1.46 billion) sectors, it stressed.

Turkey's exports to Germany, Britain and Italy, Turkey's top trading partners, rose 9.76 percent, 12.51 percent and 23.32 percent, respectively, year-on-year in May.

The data also show the country's exports to its main export destination EU was $7.2 billion in the month.

Istanbul was the Turkish city exporting the most in May at $6.15 billion, followed by prominent industrial centers Kocaeli and Bursa with ($1.17 billion). Minister Zeybekci said Turkey continued to receive results from the export and growth campaigns launched in 2016.

He stressed that data suggest that the real sector will enjoy mobility in production and investment that has not been observed in recent years. Regarding growth rates to be announced June 11, the minister said that Turkey would see a growth rate of 7.5 percent in the first quarter.

"When we analyze capacity utilization rates, investment incentives and industrial manufacturing index, we predict that the Turkish economy will expand all year," he said. "With the outstanding performance of our exporters, Turkish exports will exceed $170 billion in 2018." "We are taking steps to abolish the current deficit problem with our investments and exports," he added.

Zeybekci remarked that government support to exports last year has increased three-fold and that they have carried out the world's most ambitious investment incentive system, indicating that they want Turkey to become a country producing knowledge and technology, a country that has guaranteed the need for raw materials and intermediate goods and a country producing its own brands and patents.

TIM President Mehmet Büyükekşi, who announced the export figures for the last time, said, "As TIM, an association that represents 71,000 exporters in the country and employs 3.1 million people.

We are trying to increase our exports with an accelerated performance. I will hand over my TIM presidency, which I have been carrying out with honor on behalf of my country and exporters for 10 years, to the General Assembly. That our last announcement is also a record statement makes us both happy and proud."

Büyükekşi said that the effect of parity on exports in May was $346 million, which is especially influenced by the fact that the euro/U.S. dollar parity is higher than last year.

Referring to the fact that there has been a serious speculative environment in exchange rates recently, he said that the Turkish lira has gone through a period in which it experienced a very fast value loss. He said they believe the new government to be formed and the high volatility in exchange rates Turkey has experienced recently will end due to measures taken by the country's central bank.

Source: dailysabah.com - June 01, 2018

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Pakistan: Textile producers expect further hike in exports

All Pakistan Bedsheet and Upholstry Manufacturers Association Chairman Syed Muhammad Aasim Shah has praised the Economic Coordination Committee (ECC) for extending the export package worth Rs195 billion for the next three years, saying it will help enhance the country's export receipts.

The package is aimed at improving competitiveness of textile and non-textile sectors of Pakistan in a bid to increase the pace of growth in exports in coming financial years.

Pakistan's export performance is correlated to cotton prices – and this is a concern

"In order to improve current standing and incentivise investment in export-oriented production, the Drawback of Local Taxes and Levies (DLTL) scheme has been extended on the same terms and conditions for commercial and non-commercial exporters which is a commendable decision," he said.

Shah voiced hope that the three-year extension in the PM's export package for value-added and non-traditional products and markets would provide an incentive to local and foreign stakeholders for investment in export-oriented production capacities.

He said these components of the export package were expected to provide competitiveness benefits of around Rs65 billion annually (including Rs41 billion in the Drawback of Local Taxes and Levies scheme) to the export sector.

Textile sector top priority in budget

The package was initially approved in January 2017 for a period of 18 months ie till June 2018.

"The package has contributed to a U-turn in exports in FY18, which had earlier been declining continuously since FY14," the association chairman said, adding that the package was in addition to other relief measures announced by the government for the export sector.

In the budget for FY19, the government has included packaging material in the sales tax zero-rated regime, which was initially designed for five major export industries – textile, leather, sports goods, surgical goods and carpets.

55 Pakistani companies showcase textile products in Frankfurt

The government has also extended the Rs3-per-unit subsidy under the Industrial Support Package for another three months. The import duty on 255 out of 484 types of raw material and machinery proposed by the Ministry of Commerce was also reduced in the budget for FY19.

Source: tribune.com.pk- June 02, 2018

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Vietnam eyes $200 billion textiles exports by 2035

Vietnam's textile and garment industry is expecting exports to reach up to $200 billion by 2035 thanks to investment in new technology and automation, and a shift in production methods.

In 2017, Vietnam exported $31.2 billion worth of textiles and garments - an increase of 10.2 per cent on the prior year - with the figure expected to reach $34.5 billion in 2018 as the country looks to invest more in technology to increase productivity and shorten delivery times, and increase its focus on markets such as Australia and Russia.

Vu Duc Giang, Chairman of the Vietnam National Textile and Garment Group, says that new spinning mills in the country's textile industry are equipped with modern equipment and high automation, requiring fewer workers.

The apparel industry, however, is more difficult to automate than the yarn industry.

Giang says but some new plants are equipped with automation.

In particular, garment enterprises ar not looking to expand their scale but shift production from Cut-Make-Thin (CMT) to Free on Board (FOB) and original design manufacturing to increase value.

Source: defence.pk - June 02, 2018

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Sri Lanka: Trade gap widens in March as imports flirt US $ 2bn mark

Sri Lanka's merchandize trade with other countries continues to give trouble to the policy makers as the deficit in the trade account expanded in March, albeit at a lesser pace due to record high exports during the month.

According to trade data released by the Central Bank yesterday, during March, Sri Lanka exported goods worth of US $ 1.1 billion, up 6.3 percent year-on-year (YoY) and imports were flirting the US $ 2.0 billion mark, growing at 5.8 percent YoY, expanding the trade deficit to US $ 871 million for the month from US $ 828 million a year ago.

The cumulative trade deficit for the first three months of the year stood at US $ 2.9 billion compared to US $ 2.5 billion recorded for the corresponding three months of 2017.

Meanwhile, exports during March were largely driven by industrial exports led by textiles and garments, the Central Bank said.

Textiles and garments exports rose by 7.4 percent YoY to US $ 487 million, the highest value for a month since November 2013.

The United States largely drove March textile exports, but the exports to the European Union (EU) fell marginally, although Sri Lanka enjoys the GSP Plus benefit with the EU.

Among other exports, gem, diamond and jewellery rose significantly by 91.9 percent YoY to US $ 38.7 million due to higher gem exports.

"Meanwhile, all sub-categories under agricultural exports, except for tea and unmanufactured tobacco, declined in March 2018", the Central Bank said.

The agricultural exports declined by 5.6 percent YoY to Rs.242.8 million in March, but the earnings from tea exports rose by 3.6 percent YoY to US $ 138.5 million due to dual effect of higher prices and volumes.

Source: dailymirror.lk- June 01, 2018

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Pakistan: Time to look beyond our comparative advantage

The theory of comparative advantage suggests that a country should produce whatever it is most efficient in producing. In the simplest of cases; a country good at producing, say, guns should produce them and trade their excess production with the country which is good at producing, say, butter. Thereby maximising the welfare of consumers in both countries where they get each product at the lowest possible price. This being said we should keep this point in mind and move forward, we will come back to it later.

In Pakistan, every seminar, policy discussion and debate starts with the ill fated textile industry since we are supposed to have comparative advantage in it, and ends with new resolves and policy options to improve upon its issues and boost the exports in textile sector with an aim to shirk the ever widening balance of trade crisis. Energy crisis, increased competition, lack of government support, and lack of technology are considered as the main hurdles to more growth in this sector.

At present, the textile industry exports of Pakistan accounted for almost 60.03pc of our total exports in FY 16-17). The second in line is rice, which accounted for 7.75pc of the total exports. Pakistan earned revenue of Rs.953 billion from textile exports in 2016. So all the policy options that we discuss are focused on increasing these exports to capture more of the total textile demand in the world. We intend to beat Vietnam, Turkey, India, South Korea, US and China in this race for textile market. All of this under the umbrella of Comparative Advantage.

Now let us take a trip down the memory lane and evaluate our not very recent textile performance. In the early period we restricted our cotton exports as it was the main ingredient for textile goods. Then up till Dec 2004 we could enjoy a quota in world textile demand.

In short the industry was protected. There was no energy crisis in the country and everything was smooth and we had ample time to improve the textile sector technology that we now raise hue and cry about in every debate, discussion and seminar. Then the quota was lifted on January 1, 2005 and we met with competitors like India and China who increased their market shares in United States during Jan-Jul 2005.

Pakistan's share in the most lucrative category in textiles; "Apparel and Accessories", remained same while China's grew from 17.7 to 27pc, followed by India i.e. 3.7 to 4.5pc. While in "Textile and Fabrics" Pakistan's share fell by 24.5 percent. Around 25 percent of the quotas removed in the final stages were in fabrics category.

Now let us look at the scenario from the other dimension of trade. Our imports are based on heavy machinery, transport equipment, electronics and crude oil. As per Economic Survey 2016-17 stats we had 46.33pc of our total imports in the form of electrical goods, non-electrical machinery, transport equipment, and petroleum products. This amounts to almost Rs1862 billion as against Rs.953 billion from exports.

So we run trade deficit right at the start when our major exports which are 60pc of the total do not give use enough revenue to finance even few of our major import costs which are only 46pc of the total imports. Our major imports are more than twice in value to our major exports. Just answer this simple question: "How many T-shirts do you have to produce and sell to pay for one laptop or one barrel of oil or an imported car?"

The theory is perfectly right in its true sense; consumer's welfare is maximised. But in the long run when government faces a deficit it increases taxes and squeezes out the same population. So the issue is not with the comparative advantage, the issue is our understanding of the theory. We must consider that governments need to function, and for that they need revenue.

Free trade and comparative advantage suits the countries that have comparative advantages in cars, or laptop etc, i.e. in goods that pay more than an item from our domestically produced garments' list. I must add that every policy decision starts with "Why?", then "How?" and "When?"

We followed it in distant past for the first time when we choose textile as our main focus but in the present competitive context we always start with the later two for our trade policy, and assume that the" Why?", which was answered some 40-50 years ago is still valid in the current global environment. We forget that in those times our imports, other than petroleum products, were far cheaper than an iPhone or a 1000cc fuel efficient fully featured car.

In essence the objective of this article is not to discourage trade boosts in textile industry. After all it is almost 60pc of our total exports and we must make policy reforms to boost this number. The objective is to highlight the policy of attempting to buy laptops by selling T-shirts is not sustainable in the long run.

We must also acknowledge that laptops and other electronics do not grow out of land like agriculture so countries like Japan, China, and Taiwan had to strive for their production efficiency; hence they achieved comparative advantage in those high paying products. When we talk about CPEC and China consider bringing in its industry, why can't we make agreements to bring in cell phone manufacturing or engine manufacturing into Pakistan (even if it is for an electricity generator). These small steps can later help in acquiring the desired technologies and take our export portfolio diversification out of nature given comparative advantage.

Source: pakistantoday.com.pk- June 02, 2018

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Morocco: Textile-clothing exports generated $3.7 billion in 2017

In Morocco, export revenues generated by the textiles and clothing sector reached MAD35.5 billion in 2017 ($3.7 billion), an improvement of nearly 4% compared to 2016 (MAD34.2 billion). The Moroccan Association of Textile and Clothing Industries (AMITH) revealed.

According to just-style, the main destination remains the European continent and main importing countries are Spain (MAD19.4 billion), France (MAD7.5 billion), the United Kingdom (MAD1.6 billion) and Italy (MAD732 million).

The textile-clothing branch is one of the most dynamic in the Moroccan manufacturing sector. According to government data, it provides 5% of industrial production and employs 165,000 people. The sector also includes nearly 1,200 companies.

Source: ecofinagency.com- June 01, 2018

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NATIONAL NEWS

TEXPROCIL appreciates pro-active steps taken by the Govt. in resolving issues affecting exports of cotton textiles

The Finance Minister Piyush Goyal and the Textile Minister Smriti Zubin Irani held a meeting with Texprocil and other Textile Export Promotion Councils and Associations on 27.05.2018 to discuss issues relating to matters of taxation and promotional schemes affecting textile exports.

In a statement, Ujwal R Lahoti, Chairman, Texprocil expressed his sincere gratitude to the Ministers of Finance and Textiles for having patiently listened to the issues which are impacting exports of cotton textiles from India.

Lahoti pointed out in the meeting that even though the exports of cotton textiles have shown an increase of 7 percent during the previous financial year 2017-18 and reached USD 11 Bn, it has the potential to reach USD 20 Bn in the next 5 years, if the Government were to support the sector with a few policy measures like refund of embedded taxes (which has also been recognised by the Economic Survey for the year 2017-18), extending the innovative Refund of State Levies (ROSL) scheme which refunds state levies like VAT on fuel used in transportation (raw materials, finished goods and factory workers) and generation of captive power, Mandi tax, Duty on electricity, Stamp duties on export documents etc. and expedite the refund of pending GST and IGST claims and ROSL of the exporters.

Lahoti thanked the Ministers of Finance and Textiles for agreeing to clear the dues arising out of ROSL refunds in 15 days by providing necessary funds, authorising the Pillai Committee on Duty Drawback to examine issues of embedded taxes for all textile products and reviewing ROSL rates for Made-ups, issuing instructions for including yarn and fabrics under the scheme, look at alternate Export Promotion Schemes in consultation with the Ministry of Commerce and also ensure that all pending claims under GST and IGST are refunded within a period of next 15-20 days.

Lahoti pointed out that as India was blessed with the entire textile value chain, a holistic and integrated approach needs to be adopted so that all the segments in the value chain like yarn, fabrics, made-ups get the benefit of the tax and incentive benefits.

By ensuring an integrated approach, India can increase its share in world trade in cotton textiles from the present 10% to 15% in the next five years. This will, in turn, spur higher investments and employment generation, he added.

Lahoti thanked the Ministers of Finance and Textiles for their pro-active steps in resolving issues affecting the exports of cotton textiles.

Source: business-standard.com- June 01, 2018

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Smriti Irani tells textile industry to meet DGFT over problem of dumping

Union minister for textiles Smriti Irani, who was on a day's visit to Surat to propagate the achievements of Narendra Modi government in last four years, avoided meeting the stakeholders from the textile sector, including the leaders of power loom weaving industry, on Friday.

Irani refused to meet anyone from the textile sector, stating that she has come to attend the party's programme. The power loom weavers have been demanding the refund of input tax credit (ITC), which the central government has not agreed upon.

Addressing a media conference, Irani said, "The government has launched special refund fortnight starting from May 31 to June 14 wherein the claims under IGST on or before April 30, 2018 will be cleared."

According to Irani, the central government has accepted some of the demands put forth by the textile sector, including the increase of 20 per cent duty, on the import of silk and 5 per cent GST on job work etc.

When asked about the refund of ITC to the power loom weaving sector, Irani failed to give satisfactory answer and avoided speaking to media persons.

Irani said, "If the textile traders and power loom weavers are concerned about the dumping of imported fabric from China, they should gather official details and file a complaint with directorate general of foreign trade (DGFT) for action.

When there was massive dumping of jute in the country, the manufacturers complained to DGFT and the dumping has stopped. I would urge the textile leaders to approach DGFT for imported fabrics."

Talking to TOI, president of Federation of Gujarat Weavers' Association (FOGWA) Ashok Jirawala said, "Being the Union minister for textiles, it is her responsibility to meet all stakeholders. The power loom weaving industry is literally on the deathbed and only the refund of ITC will be able to rescue them."

President of Pandesara Weavers Association Ashish Gujarati said, "TUFS no longer attracts power loom weavers due to the issues of GST and refund of ITC. Even the power loom scheme under PowerTEX initiative has few takers from Surat. We would urge the central government to reconsider the refund of accumulated credit for weavers."

Source: timesofindia.com- June 02, 2018

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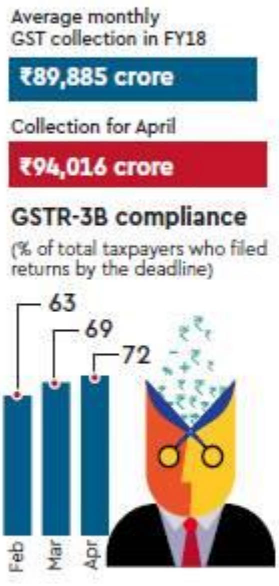
GST: April revenue up 4.5% from FY18 average on e-way bill

The goods and services tax (GST) revenue for April (collected in May) came in at Rs 94,016 crore, 4.5% higher than the monthly average achieved in the last fiscal year.

The pick-up, though not enough to meet the Centre's budget target for central GST (CGST) revenue, indicates the e-way bill mechanism, launched in phases from April 1, has had a bearing on compliance and boosts the prospect of revenue growth quickening once the other anti-evasion measures like invoices-matching are also implemented.

As CGST and state GST (SGST) revenue will be roughly equal in the absence of the transitional credit that hit CGST collections until late last year, the trend CGST revenue for 2018-19 is seen to be SGST collections plus half the integrated GST or IGST pool. The CGST collected for April was Rs 28,797 crore; assuming half the balance IGST collected for the month also goes to the Centre's kitty, the CGST collection for the month may eventually go up to Rs 40,800 crore.



However, even this figure is a fifth short of the budget estimate for CGST of Rs 50,325 core per month. As for the SGST, Rs 34,020 crore was collected for April; though this is still below expectations, the states' GST revenues are protected under a compensation mechanism that guarantees 14% annual growth.

For April, the compliance related to filing summary returns grew to 72% of eligible taxpayers till May 31, from 63% and 69%, respectively, for February and March.

The e-way bill mechanism was implemented for movement of goods across state borders from April 1. In the last two months, the measure has been rolled out in staggered manner for movement of goods within state territories as well. By June 3, e-way bills for movement of goods worth over Rs 50,000 would be mandatory for all states/union territories.

Finance secretary Hasmukh Adhia tweeted: "(The higher than average mop-up) reflects better compliance after introduction of e-way bills." The e-way bill system mandates businesses to intimate the GST Network portal about origin, destination and vehicle details related to merchandise movement.

"Though current month's revenue collection is less compared to last month's revenue, still the gross revenue collection in the month of May (Rs 94,016 crore) is much higher than the monthly average of GST collection in the last financial year (Rs 89,885 crore)," the government said. The GST collections for March (garnered in April) was at Rs 1.03 lakh crore was because of year-end effect, it added.

Abhishek Jain, tax partner, EY India, said: "Introduction of e-way bills could be one possible reason for the increased revenue collection for April vis-a-vis the average monthly collection of around Rs 90,000 crore last year. With introduction of other anti-evasion measures like intrastate credit matching, e-way bills, TDS/TCS, etc, these collections may further increase in the coming months."

Additionally, the IGST collection for April was at Rs 49,120crore (including Rs 24,447 crore collected on imports) and amount collected through compensation cess stood at Rs. 7,339 crore (including Rs 854 crore collected on imports). State governments were provided with Rs 6,696 crore as GST compensation for March. This takes the total GST compensation released to the states for the 2017-18 (July 2017 to March 2018) to Rs 47,844 crore.

Pratik Jain, partner and leader, indirect tax, PwC India, said: "While this is encouraging, perhaps the government expected a higher collection due to introduction of e-way bills from April 1.

Now that intrastate e-way bill system has also been introduced in most states, one could expect some incremental impact on revenues in next couple of months. The government would hope the monthly average collection to touch Rs 1 lakh crore soon."

Source: financialexpress.com- June 02, 2018

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How cotton is comforting Cauvery delta farmers

The dry spell in recent years in the Cauvery Delta districts has brought to the fore the need for diversifying crop variety in the traditional paddy growing areas.

Cotton has emerged a possible option in some of the districts during the dry season.

In the Delta districts, cotton is harvested in June-August as a summer crop. This is in contrast with traditional cotton growing areas in western parts of Tamil Nadu where it is sown in July-August and harvested during the year end in winter.

According to VKV Ravichandran, a leading farmer in Nannilam in Thiruvarur district, and a Director in the Iowa-based Global Farmers Network, farmers have shown a keen in the cash crop in recent years due to multiple reasons.

Apart from the dry spell which hit paddy, he pointed out pulses are also not remunerative and is ruling below support prices. Farmers generally go for a pulse crop after summer paddy.

But, cotton prices at about ₹50-60 a kg as compared with ₹40 in the previous year.

According to official sources, while cotton areas are up in certain areas, a shift in mindset is needed. Last year, in 2016-17 the cotton coverage in Tiruvarur district had increased to about 6,900 ha up from about 4,000 ha in the previous year which is about normal for the district.

In the current year, the estimated coverage is 4,200 ha and is coming up for harvest by June-end. It is above average for the district.

In Thanjavur district, the core paddy growing area, in 2016-17 the area was down to about 637 ha due to peak drought and this year it is estimated at 1,100 ha. This is a 10-15 per cent increase over traditional coverage of about 1,000 acres.

Officials agreed there is a potential to expand cotton during a dry spell early in the year.

Ravichandran, who has put together farmers groups in the area in earlier seasons to scale up cotton produce for marketing, said farmers groups in the area had benefitted by coordinating on cotton cropping practices and choice of variety. They were able to sell directly to ginning mills. The mills too were keen on purchasing directly as they get uniform quality of cotton.

Source: thehindubusinessline.com- June 02, 2018

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GST-related issues being seriously addressed, Smriti Irani tells Surat textile traders

Smriti Irani claimed that the previous textile commissionerate had no statistical data of the industry and a survey to gather the figures to help implement the schemes was recently conducted.

Union Textile minister Smriti Irani on Friday assured the textile industry of Surat that issues related to GST are being seriously addressed in association with the Finance ministry. Visiting Surat as part of the ongoing campaign of the Narendra Modi-led NDA government to celebrate four years the BJP rule, Irani said that the textile businessmen facing issues with refund under Integrated Goods and Services Tax (IGST) would be heard at special camps being organised by the Finance ministry.

Addressing members of the textile industry, Irani said, “I had meeting with the members of the textile industry and Finance Minister Piyush Goyal to discuss the issue of refund of IGST. The Finance Minister took up the issue seriously and assured that the arrangements for the refunds of IGST will be made soon.” “The FM has announced that camps will be organised from May 31 to June 14, where IGST issues being faced by the textile industry will be sorted out on the spot and refund will be given in the camps,” she said.

Irani claimed that the previous textile commissionerate had no statistical data of the industry and a survey to gather the figures to help implement the schemes was recently conducted. She said, “During discussions related to textile industry in the GST council, some delegates of the textile industry had come to us and put forth three demands, which included the rise of the import duty on the silk and to bring velvet industry and job work under five per cent slab of GST. We have hiked the import duty on silk to 20 per cent and the remaining demands of velvet and job work are being worked out.”

Attacking the previous UPA government at the Centre for delaying technology upgrades in the textile industry, Irani said, “In last three years of UPA government, 40 schemes were launched, out of which 20 were suspended without spending a single penny. Meanwhile, we have worked in the direction of 100 per cent allocation and implementation.

Under the UPA government, only ten projects were sanctioned in Surat and Rs 6 crore were allocated between 2011 to 2014. Under PM Narendra Modi's leadership, 110 projects have been sanctioned in Surat, in which Rs 34 crore have been released while Rs 57 crore have been approved.

For machinery upgrade, a Rs 61 crore subsidy was released by government in 2014-15, Rs 92 crore in 2015-16, Rs 199 crore in 2016-17 and Rs 83 crore in 2017-18. Over 2,900 applicants from Surat, had applied for this."

She said that capital subsidy in technical textiles had also been increased with an intention to allow the local businessmen to seize the opportunity of indigenous manufacturing instead of relying on importing the items.

Irani, however, refused to meet the representatives of the Federation of Gujarat Weavers Association (FOGWA). The association's president Ashok Jirawala said, "We contacted Surat MP Darshana Jardosh, who was with Union Textile Minister Smriti Irani and requested her to give us an appointment.

We were told that union minister refused to meet us. Our intention to meet her was to hand over a list of demands which we have made about the issues that the industry is facing. We all are disappointed as we were not allowed to meet her."

When contacted, Jardosh told The Indian Express, "I received a call from power loom association president Ashok Jirawala when Smriti Irani and I were in the middle of a press conference. I told him that it I will let you know after contacting her. It was too late and later she had other pending programmes to attend."

Source: indianexpress.com - June 02, 2018

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Cotton acreage to decline 10-12% this kharif season as farmers shy away

Farmers are shifting to other remunerative crops like soybean and paddy in major growing states

Sowing area under cotton is likely to decline by 10-12 per cent this year as farmers shift to other remunerative crops such as soybean and paddy to fetch better prices for their produce.

The area under cotton is likely to decline to 10.7 million ha this year compared to 12.2 million ha last year as distressed farmers in Punjab, Maharashtra, Telangana and Andhra Pradesh have evinced weak interest in this cash crop.

Farmers' dissatisfaction can be attributed to two major factors. Firstly, cotton was heavily impacted by pink bollworm last year which farmers fear spoil the crop this year as well. Secondly, prices remained subdued throughout last year, prompting farmers to look for the alternative crop.

"We estimate at least 10-12 per cent decline in the cotton acreage this year," said Atul Ganatra, President, Cotton Association of India (CIA), the representative body of cotton traders in India.

Farmers are facing a spate of issues such as water shortage, unfavourable weather and the persistent menace of pink bollworm which could dent cotton sowing this kharif season by about 10 per cent as against the previous year.

Farmers may shift from cotton to groundnut in Gujarat, paddy in Haryana and soybean in Maharashtra and the Telangana belt as cotton is still not remunerative compared to other options. Similarly, soybean, pulses and sugarcane area could surpass cotton in acreage as prices were firm and pest infestation in those crops are less.

"Cotton prices on the Multi Commodity Exchange of India (MCX) are trading at Rs 21,700 for bales of 170 kg each, up 3.23 per cent year-on-year, well ahead of the kharif season this year. Price outlook remain firm for this year and we can see prices jump 8-10 per cent, as support can be seen on the expectation of lower cotton acreage in India," said Ajay Kedia, Managing Director, Kedia Commodity.

Meanwhile, gains in cotton prices may be capped even as good quality seeds and an improved yield are not making much impact on crop output. The decline in acreage may lower cotton output proportionately. India's cotton output was estimated at 37.7 million bales in the first advanced estimate by the Cotton Advisory Board (CAB) under the Ministry of Textiles.

With monsoons forecast to be normal this year, Kharif output is expected to be bumper this season.

Source: business-standard.com- June 01, 2018

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Raymond opens linen facility

Raymond has opened a linen manufacturing facility in Amravati. The facility is expected to produce 1200 tons of world-class linen yarns and 4.8 million meters of linen and blended fabrics per annum. It is expected to generate direct and indirect employment for 800 people.

Raymond has seven plants already operational in Maharashtra. The company also has set up a manufacturing facility in Ethiopia. Set up with an investment of over $US 14.83 million, this foray is in line with the group's ambition to expand its presence across international markets. The new plant will generate employment for over 2500 people.

In order to be globally price competitive for the export market, setting up a garmenting plant in Ethiopia is a strategic move to ensure duty-free access to key export markets such as the US and Europe. Raymond is one of the most widely available exclusive retail formats in the fashion apparel category in India. The company is a manufacturer of the finest worsted suiting and cotton shirting fabrics and a significant player in branded apparel.

Raymond has introduced a khadi brand. The line includes trousers, short kurtas, long kurtas, bandhgalas, and shirts, among other garments. It will be available at Raymond exclusive business outlets, multi-brand outlets and exclusive Raymond Khadi outlets.

Source: fashionatingworld.com- June 01, 2018

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India, Singapore agree to boost trade, sign 8 pacts

India and Singapore have agreed to upgrade their Comprehensive Economic Cooperation Agreement soon to boost bilateral trade as the two sides on Friday signed eight agreements in the fields of the training of public service officials, cyber security, narcotics control and defence cooperation.

The two sides concluded the second review of the Comprehensive Economic Cooperation Agreement (CECA) in the presence of Prime Minister Narendra Modi and his Singaporean counterpart Lee Hsien Loong.

The review includes expanded tariff concessions for an additional 30 products and improved rules to provide more flexibility for Singapore exports into India to qualify for preferential tariffs under the agreement, Singapore's Ministry of Trade and Industry (MTI) said after the completion of review.

"I am especially happy about the completion of the second review of our Comprehensive Economic Cooperation Agreement. But both of us agree that second review is not our destination, it is just a halt. Our executives will soon start discussions to upgrade and improve this agreement," Modi said after his talks with Lee.

Modi is here on a three-day visit.

"The upgraded agreement will enable more Singapore companies to qualify for lower tariffs," Singapore's Minister for Trade and Industry S Iswaran said.

"This improves local exporters' access to the Indian market. I encourage our companies to make full use of the upgraded agreement and explore more opportunities for collaboration in India."

Another key benefit from the upgraded CECA includes a mutual recognition agreement on nursing to facilitate a better understanding in regulating training and practice of nursing.

The India-Singapore CECA entered into force on August 1, 2005, and had its first review concluded on October 1, 2007.

During Modi's visit, the two sides signed eight agreements, including a mutual recognition pact on Nursing.

Implementation agreement signed between the Indian Navy and Republic of Singapore Navy concerning mutual coordination, logistics and services support for naval ships, submarines and naval aircraft (including Ship borne Aviation Assets) visits.

Extension of the Memorandum of Understanding signed between the Indian Computer Emergency Response Team (CERT-IN) and the Singapore Computer Emergency Response Team (SINGCERT) in the area of cyber security.

The Narcotics Control Bureau (NCB) of India and the Central Narcotics Bureau (CNB) of Singapore signed an MoU on cooperation to combat illicit trafficking in narcotic drugs, psychotropic substances and their precursors.

Memorandum of Understanding on cooperation in the field of personnel Management and public administration.

Memorandum of Understanding signed between the Department of Economic Affairs, India's ministry of finance, and the Monetary Authority of Singapore on the constitution of a Joint Working Group (JWG) on Fintech between India and Singapore.

The NITI Aayog and Singapore Cooperation Enterprise (SCE) also signed an MoU on cooperation in the field of planning.

In 2017, total bilateral trade between both countries amounted to 25.2 billion Singapore dollar, an increase from the 16.6 billion Singapore dollar when the CECA was signed in 2005.

Top imports from India in 2017 include petroleum oils, jewellery and precious metals while top exports to India include machinery, petroleum oils, styrene and gold.

Source: tribuneindia.com- June 01, 2018

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India to make a case with the US for speedy renewal of tariff preference scheme

India will ask the US for speedy renewal of the generalised system of preferences scheme (GSP) — the preferential import tax scheme that allows market access at nil or low duties for about 3,500 Indian products, including chemicals and textiles.

The scheme was not renewed for India by Washington in April as the US Trade Representative's office said that it wanted to hold an eligibility review.

Commerce and Industry Minister Suresh Prabhu, who will be in Washington later this month, is likely to point out that extension of the GSP scheme should not be linked to India's policy on pricing of medical devices or the dairy industry since the US had been unilaterally offering the concession to help labour intensive sectors so far.

"There is no reason why India should not be considered eligible for the GSP scheme as it has not taken any measure that could negatively affect bilateral trade between the countries," a government official told BusinessLine.

Though the US Congress had voted to extend the GSP scheme through 2020, it was not done so for India, Indonesia and Kazakhstan. The USTR said it was launching a self-initiated GSP eligibility review of India based on concerns related to its compliance with the GSP market access criterion and was also accepting two petitions related to the same criterion.

The US dairy and medical device industries had filed petitions pointing out trade barriers in India and had requested a review of India's GSP benefits.

Pricing caps on medical devices is an issue which the USTR's office also wants to discuss separately with Prabhu as the medical devices industry in the US is unhappy with recent caps imposed on products such as stents.

"We have to explain to the US that decisions on pricing caps are taken by an independent national pharmaceuticals pricing authority and it is not possible for the Commerce Minister to give a guarantee on the issue," the official said.

India is one of the biggest beneficiaries of the GSP scheme, which was introduced by the US in 1976. As per figures furnished by the USTR, imports from India in 2017 under the GSP scheme was to the tune of $5.6 billion, which was a fourth of total imports under GSP at $21.2 billion.

Source: thehindubusinessline.com- June 02, 2018

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Cotton prices rise in Gujarat on good export demand

Cotton prices are on the upswing in Gujarat and have moved up by Rs 3,000 per candy of 356 kg in past 10 days on the back of good export demand and rising international rates of the commodity precipitated by adverse weather conditions in US and China.

According to the industry experts, Indian cotton is currently the cheapest in the world and that is why global demand has been diverted here. Cotton prices are presently at about Rs 45,000 per candy, up from Rs 42,000 ten days ago in Gujarat. One of the reasons being cited for the increase in prices is the decrease in arrivals to 40,000 bales (a bale of 170 kg) per day in the state with the cotton season drawing to a close. Looking to the present scenario of the market, cotton prices may continue to grow as the arrival of the quality cotton is limited.

"Due to unfavoUrable climate condition in major cotton growing countries like China and US, international prices have gone up sharply and global demand has diverted to the India as our cotton in terms of price is cheaper. China, Bangladesh and Vietnam are aggressively buying Indian cotton which lifted prices in domestic markets," said Arun Dalal, leading trader and exporter from Ahmedabad.

As on 31 May, India has exported about 6.5 million bales of cotton and of it nearly 3.5 million bales have been exported from Gujarat alone. Last year, the country's exports had touched some 58 lakh bales.

Source: financialexpress.com- June 02, 2018

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