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TEXPROCIL NEWS CLIPPINGS

TEXTILE INTELLIGENCE CENTRE IBTEX

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

IBTEX No. 233 of 2019 — December 02, 2019

US 71.73 | EUR 79.03 | GBP 92.64| JPY 0.65

Cotton Market		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
19091	39900	**70.88**
Domestic Futures Price (Ex. Warehouse Rajkot), December		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
19150	40024	**71.10**

International Futures Price

NY ICE USD Cents/lb (March 2020)	65.36
ZCE Cotton: Yuan/MT (January 2020)	12,785
ZCE Cotton: USD Cents/lb	82.46
Cotlook A Index – Physical	**75.00**

Cotton Guide- All of us might be wondering, when there was no reason for a dip in prices then why have the cotton futures [ICE] dipped? It was again a repercussion of an act by the US President Donald Trump. President Trump signed a couple of bills with respect to Hong Kong. This has thus been perceived to have angered China, which in turn can have a negative consequence to the phase one deal between US and China. The Markets especially the cotton Market Participants are desperately awaiting for the Phase One Deal. This news has therefore resulted in a loss of enthusiasm by the cotton fraternity.

The ICE March contract settled at 65.36 cents per pound with a change of -45 point.The ICE May contract settled at 66.39 cents per pound with a change of -52 points. The Volumes were again lower at 15,394 contracts.

The MCX contracts, also reacted to international news coupled with higher arrivalsseen in the Domestic Physical Market. The MCX December contract settled at 19,150 Rs per Bale with a change of -100 Rs. The MCX January contract settled at 19,340 Rs per Bale with a change of -50 Rs. The volumes were seen at 791 lots [much lower] as compared to the 1,000 lot figures seen in the earlier sessions.

The Cotlook Index A was updated at 75.00 cents per pound with a change of -10 points. Prices of Shankar 6 are at 39,900 Rs per Candy. Indian Cotton arrivals are constantly above the 150,000 Bale figure.

The US Export sales data was released on Friday for the week ending 21st November 2019.

Upland sales: The Net Sales of 281,500 Running Bales for 2019/2020 were seen to have shown an increase of 24 percent.

Country	Increases in Running Bales
Vietnam	74,100
Turkey	67,800
Bangladesh	46,400
Malaysia	39,900
China	**39,600**
Table 1: Upland Sales	

For the marketing year 2020/2021, net sales totalled to 23,800 Running Bales were for Malaysia at 14,100 RB, Thailand 5,300 RB, Japan 2,600 RB and Indonesia 1,800 RB.

Upland Exports were seen at 184,400 RB were up 34 percent from the previous week.

Country	Exports in Running Bales
Vietnam	37,200
Pakistan	28,700
Mexico	21,300
Indonesia	19,900
China	**18,300**
Table 2: Upland Exports	

Pima sales were up by 30 percent at 9,200 Running Bales. Increases were seen for China at 2,100 Running Bales, India at 2,000 RB, Peru at 2,000 RB, Turkey 1,600 RB and Vietnam 900 RB. Exports were up by around 90 percent at 11,200 RB. The primary destinations were for India 4,000 RB, Vietnam 3,700 RB, Indonesia 1,000 RB, Turkey 900 RB, Pakistan 900 RB.

On the overall fundamental front, the ICE trend is sideways to positive. On the MCX front we again foresee a positive outlook.

On the technical front, In daily chart, ICE Cotton March has broken the support of upward sloping channel and closed below the dema(5,7) indicates the downside momentum. However, price have sustained near the support of 38.2% Fibonacci retracement level (63.51) of an intermediate up move Meanwhile, the daily EMA (5, 9) at 65.45, 65.47, having a negative crossover along with the momentum indicator RSI is at 50.58, suggesting sideways to negative bias for the price. The immediate resistance for the price would be at 66.20 and the support will be at 64.20(Midpoint of Fib.retracement). Thus for the day we expect price to trade in the range of 64.20-66.20 with sideways to negative bias. In MCX Dec Cotton, we expect the price to trade within the range of 18950-19250 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

Messe Frankfurt Texpertise Network to integrate SDGs

Messe Frankfurt Texpertise Network has launched a global partnership with the Conscious Fashion Campaign and the United Nations Office for Partnerships to integrate the Sustainable Development Goals into over 50 leading international textile trade fairs, which in all attract more than 22,000 companies and over half a million trade visitors annually.

In January 2019 the Sustainable Development Goals were introduced to a Messe Frankfurt event for the first time during the world's leading platform for sustainable fashion, Neonyt, in Berlin as part of Berlin Fashion Week, where the Conscious Fashion Campaign was presented.

The initiative, in collaboration with the United Nations Office for Partnerships, unites the fashion industry to accelerate the achievement of the Sustainable Development Goals and champions fashion as an influential sector to address the world's most pressing issues. The campaign is dedicated to driving change through advocacy, education and engagement of industry innovators to create a sustainable future for all.

The collaboration continued throughout the July 2019 show edition. The Conscious Fashion Campaign highlighted the Sustainable Development Goals via the engagement of attendees and exhibiting brands as well as in panel talks on the stage of the Neonyt conference Fashionsustain with representatives from industry and NGOs.

"The international fashion and textile industry has a massive influence on the achievement of the Sustainable Development Goals, both in terms of climate protection measures; ensuring environmental protection; promoting circularity; and enabling fair working conditions. Thanks to the more than 50 textile events that Messe Frankfurt organises across the globe, we can reach a broad, professional audience, raise awareness of the goals and galvanise support," says Robert Skinner, executive director of the United Nations Office for Partnerships.

Detlef Braun, member of the Executive Board at Messe Frankfurt, adds: "The Texpertise Network fulfils a role as a communication facilitator for all our global textile activities. We will gradually start to present the Sustainable

Development Goals to this network at our events and encourage them to exchange ideas with one another. We're very proud to support the Conscious Fashion Campaign and the United Nations Office for Partnerships in the activation and implementation of the goals."

The UN Sustainable Development Goals came into force on January 1, 2016 and serve as a blueprint for more sustainable development across the globe. The 17 goals that address global challenges on an economic, social and environmental level are closely interwoven and the aim is to achieve them by 2030. Networking with the industry and communication with various interest groups will play a major role in achieving these goals.

Kerry Bannigan, founder of the Conscious Fashion Campaign, says: "As a leading global company, Messe Frankfurt's commitment to the Sustainable Development Goals amplifies our messaging for the fashion and textile sector to choose economically, socially and environmentally responsible business practices to build a better world. Each Texpertise Network event by 2022 will be encouraging all exhibitors and attendees to take meaningful action."

Heimtextil, the world's biggest and most important trade fair for home and contract textiles that attracts around 3000 exhibitors and expects 65,000 trade visitors during January 7-10, 2020, will be the next stop on the tour to present the Sustainable Development Goals. Here, goals will be presented and discussed at an interactive stand in the Green Village as well as in the form of panel discussions. The Sustainable Development Goals will gradually be presented at other trade fairs in the Texpertise Network portfolio.

Source: fibre2fashion.com- Dec 01, 2019

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China: CPFTA second phase implementation comes into effect from today

The second phase of China-Pakistan Free Trade Agreement (CPFTA) has come into the effect from today (Sunday) allowing the Pakistani manufacturers and traders to export around 313new products on zero duty to the Chinese market.

The two countries have completed all the legal procedures and formalities to start the implementation of the agreement from today," well-informed sources confirmed here on Sunday.

Both Pakistan and China signed a protocol for the implementation of the agreement during the last visit of Prime Minister Imran Khan to China, under which, Pakistan has got the export concession on 313 new items.
Pakistan is already enjoying zero duty on export of 724 products to China under the first FTA signed between the two countries in 2006. After the implementation of the second FTA, Pakistan has been allowed to export a total of 1047 products to China on zero duty.

The new facility will particularly benefit the textile sector to enhance its export to China as textile exports to China will virtually be duty-free.
There are a number of other items particularly leather and agriculture products as well as confectionery and biscuits etc which Pakistani manufacturers can export to China.

While commenting on the positive impacts of implementation of the second phase of the trade agreement, the sources informed that after the implementation, Pakistan can now increase its export around US$ 1 billion in the short term while the export of these items are likely to touch US$ 4-5 billion in the medium term after setting up a new industry in the special economic zones being constructed in Pakistan under China-Pakistan Economic Corridor (CPEC) flagship project.

After this agreement, Pakistan can enhance its exports to China up to US$ 10 billion in the next few years as the volume of the Chinese import market is around US$ 64 billion.

The per capita income in China is around US$ 10,000 while buying capacity of the people is increasing gradually.
China has organized import expos as it wants to import quality products from different countries including Pakistan. If our traders actively participate in different trade fairs in China to market their goods, they can get import orders with good price.

Regarding further benefits, sources said, now not only Pakistani manufacturers can enhance exports of different goods to China but the Chinese manufacturers who are interested to shift industry to Pakistan owing to cheaper labour and other resources, can export goods to China and other countries in the world.

Pakistan has already signed FTA with Sri Lanka, Malaysia and Preferential Trade Agreement (PTA) with Indonesia under its trade liberalization policy to enhance its exports.

There are active discussions to sign FTA with South Korea in a bid to provide more and more access to Pakistani manufacturers to the new markets. China has already become the second-largest export destination of Pakistani traders after the US.

The present government has resolved export rebate issue and started the disbursement to traders for which the finance ministry is allocating funds while it is giving subsidy to exporters on electricity and gas.

The State Bank of Pakistan has also increased funds limits for the traders and manufacturers under export refinance scheme which will help increase the exports.

Regarding the impact of cooperation in the agriculture sector between the two countries, sources said that China has imposed a strict quality control system on food-related items.

Chinese experts inspect and qualify the manufacturing facility before allowing imports. China also imposed quota and Pakistani traders can benefit from it if they achieve all the standards.

A quota of 350k tons yarn, 300k tons sugar and 200 tons rice respectively was given by China under US$ 1 billion zero percent import tariff facility and exporters are actively availing this opportunity.

“We want to complete the quarantine procedures of wheat and tobacco to be able to export these products to China.”

Currently, cotton yarn, copper, rice, chromites nephrite, seafood, and ethylene alcohol are main products being exported to China.

Source: app.com.pk- Dec 01, 2019

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Pak exports up by 9.6pc in Nov, imports cut by 17.53pc

ISLAMABAD: Pakistan's exports of goods during November 2019 have increased by 9.6 percent to $2.02 billion while imports declined by 17.53 percent to $3.815 billion over corresponding month of last year, the Ministry of Commerce's data available with The News said.

Exports were recorded at $1.843 billion while imports at $4.626 billion in the same month of last year (November 2018). During July-November 2019/20, the country's exports were recorded at $9.55 billion against $9.113 billion in corresponding month, showing an increase of 4.8 percent (or $437 million), while imports were slashed by 19.27 percent (or $4.546 billion) to $19.046 billion. Last year in the same period imports were recorded at $23.59 billion.

Five-month trade deficit (Exp-Imp gap) was recorded at $9.496 billion against corresponding period's deficit of $14.479 million. It indicates that trade deficit has declined by 34.4 percent or $4.983 billion during these five months. Trade deficit (exports-imports gap) in November 2019 was recorded at $1.795 billion while in November 2018, it was recorded at $2.783 billion depicting a sizable decline of 35.5 percent (or $1 billion) in trade deficit in one month.

This increase in exports and cut in imports would improve the trade balance position and ultimately the current account deficit (CAD) that has recently turned into surplus. Economists believe that with the increase in the surpluses in CAD, the country's foreign exchange reserves also get improve. Meanwhile, Adviser to Prime Minister on Commerce, Textile, Industry & Investment Razzak Dawood said on his twitter account, "Alhamdolillah! Pakistan's exports in November 2019 have once again crossed the USD 2 billion mark. Hats off to our experts and the team at the Ministry of Commerce. Exports have increased by 9.6% as compared to last year." He further said, "As a result of the same policies of the government, the increasing exports are contributing to improvement in our balance of payment position and stabilisation of the economy."

It is worth mentioning that for the first time, in the last four years, the country's current account turned into surplus and was recorded at net positive current account balance of $99 million in October 2019. In

September, it was current account was recorded in deficit of $284 million and $1.28 billion in Oct 2018.

Pakistan's current account deficit in FY19 stood at $12.75 bn, a 36 percent reduction from $19.9 bn in FY18.

Besides, the second phase of China-Pakistan Free Trade Agreement (CPFTA) has also come into the effect from Sunday (Dec 1) allowing export of around 313 new Pakistani products on zero duty to the Chinese market. Pakistan is already enjoying zero duty on export of 724 products to China under the first FTA signed between the two countries in 2006. After the implementation of the second FTA, Pakistan has been allowed to export a total of 1047 products to China on zero duty.

The new facility will particularly benefit the textile sector to enhance its export to China as textile exports to China will virtually be duty-free.

There are a number of other items particularly leather and agriculture products as well as confectionery and biscuits, etc, which Pakistani manufacturers can export to China.

Reportedly, with the implementation of the second phase of the trade agreement, Pakistan can now increase its export around $1 billion in the short term while the export of these items are likely to touch $4-5 billion in the medium term after setting up new industry in the special economic zones being constructed in Pakistan under China-Pakistan Economic Corridor (CPEC) flagship project.

After this agreement, Pakistan can enhance its exports to China up to $10 billion in the next few years as the volume of the Chinese import market is around $64 billion. The State Bank of Pakistan has also increased fund limits for traders and manufacturers under export refinance scheme which will help increase the exports.

Source: thenews.com.pk- Dec 02, 2019

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Pakistan: Policy shifts mar textile exports

With its share fluctuating between 55 per cent and 60pc in the country's exports for several decades, the textile and clothing industry is the dominant source of foreign exchange earnings.

There are examples where the textile and clothing sector was used as a 'starter' industry by countries pursuing export-oriented industrialisation. However, Pakistan has utterly failed to use this opportunity for sustained economic growth because of ineffective and inconsistent government policies, which are required to build on this investment. Another reason is the unwillingness of investors to become more efficient and diversify their products to meet demand.

In comparison, other low-income countries like Bangladesh, Cambodia and Vietnam have successfully developed their textile and clothing industries to create jobs and rapidly increase their export receipts. For instance, Pakistan's textile and clothing exports have stagnated at $13-13.5bn as opposed to Bangladesh's $37bn although the latter has a relatively young industry. Bangladesh, in fact, is targeting $50bn in textile and clothing exports over the next few years.

'We are far ahead of Chinese companies in technology. We have more efficient European and Japanese machines. Chinese companies depend on huge subsidies for survival'

Why is Pakistan left far behind in the race? "The reason is very simple: inconsistent government policies that pull investments away from the manufacturing industry into the real estate sector and stock exchange, regional political and security situation that keeps our foreign buyers from visiting Pakistan, energy shortages for the industry in the past and so on. On top of that, the people who have never exported anything are called to advise the government to formulate policies to boost value-added exports," says Umer Mansha, chief executive of Nishat Mills Ltd (NML), the country's largest textile and clothing — exporting company.

NML Executive Director Ahmed Jahangir adds that value addition requires a lot of effort. "When you move from basic textiles into value-added textiles, you feel returns are not commensurate with the kind of effort you have to put in. But once you are in value-added manufacturing, you realise you can get much high returns with a better strategy and efficiency.”

The Nishat Group has invested heavily in value-added textiles — fashion apparel, home textiles and technical textiles, which form a big portion of its $341 million textile and clothing exports — for top American and European brands. The continuous upgrade of technology has allowed the group to cut its labour cost by 20-30pc and electricity expense by 30-40pc.

Mr Mansha points out that only the large groups that have been in the textile business for a long period are investing in capacity expansion and increasing their footprints in the downstream, value-added textile industry.

“Such companies learned the tricks of trade because of the textile quota protection and were able to establish close, enduring relationships with their foreign buyers. New investors are reluctant to invest in the value-added segments because they are scared of competition with larger companies already in this business.

“The Sept 11 terror attacks and the ensuing war on terror in our region further deteriorated the environment for our value-added industry and made it difficult for new players to enter into it. Buyers don’t visit Pakistan and feel more comfortable to deal with companies with whom they have worked in the past. How can you expect a buyer to do business with a supplier whose factory he hasn’t ever visited or seen?” Mr Mansha says.

Mr Mansha is not very optimistic about the promised Chinese investment in Pakistan’s textile and clothing industry. “I don’t see Chinese firms relocating their manufacturing units to Pakistan. If they wanted to relocate here, what could possibly have stopped them until now? And why would they invest in Pakistan? What do we have to offer them? On top of that, there are cultural and social differences, political unrest etc. Then we do not have enough quality raw material or variety. We are far ahead of Chinese companies in technology. We have European and Japanese machines, which more efficient. They sell volumes and depend on huge subsidies from their government for survival.”

China went to Vietnam and Bangladesh to take advantage of cheaper labour and market access these countries enjoyed in the United States, according to Mr Jahangir.

"China invested in Vietnam in the hope of taking advantage of the now defunct Trans-Pacific Partnership (TPP) agreement. Then there's also the factor of close proximity and cultural and social similarities."

He believes the Chinese are successful because of massive subsidies they enjoy. "Their objective is to create jobs; exports are the by-product of that policy. In Pakistan, on the other hand, we have to work in an uncertain business environment. For example, the government gave us subsidised power and gas but withdrew the zero-rating regime for export-oriented units and imposed sales tax. If the refunds are not disbursed quickly, most of our liquidity will remain stuck with the government. What will be the use of cheaper energy then?

"Because of tax issues, exporters are diverting their businesses to the domestic market. This is why local textile and clothing market has grown so fast in recent years. I see a 30pc loss in exports by February if we don't fix our export refund system. Much of our time is spent on fulfilling unnecessary documentation, which adds to our costs and affects our competitiveness. If the government wants to boost exports, it should get out of the way of exporters."

Source: dawn.com - Dec 02, 2019

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Is Vietnam the Next China: Myth vs. Reality

The ongoing US-China trade war has brought a renewed urgency in recent months resulting in my crisscrossing this tiny nation from the northern capital of Hanoi to the country's economic epicenter to the south, Ho Chi Minh City, formerly known as Saigon and every stop in between. Once viewed as an emerging market with potential, Vietnam today is considered the hottest "go-to" sourcing destination as supply chains uproot from China while President Trump and President Xi continue to work out their disagreements.

However, despite logging thousands of miles of travel and spending days upon days conducting factory audits in the remotest corners of the country I am discovering that Vietnam's manufacturing industry and export products may not live up to the hype as China's best alternative.

One striking difference I noticed immediately is that Vietnam's manufacturing is at least 10-15 years behind China. On my factory tours, I witnessed outdated machinery, lack of modern equipment and saw few signs of the latest supply chain best practices, including LEAN certification standards and supply chain manufacturing principles in action. In my daily research on vetting manufacturers, I consistently come across poorly designed websites, if I am lucky to find one at all, sales pages listing professional contact using Gmail and Yahoo accounts and often encounter few staff who can converse and speak English well. These deficiencies contribute to the challenging task of sourcing products meeting global export standards.

With labor about one-third of China, cost of living and land much cheaper than its northern neighbor, many falsely believe that Vietnam-made products automatically translate into big savings. There are three contributing factors: One, in nearly every industry Vietnam lacks quality raw materials and must import them from China, thereby, increasing costs; Two, as new foreign direct investments set record highs, industrial park land costs have increased dramatically to coincide with this boom; Third, manufacturers, well aware that the US-China trade war has put American buyers in a corner, have raised their prices accordingly. These all contribute to the drowning out of any major cost savings. In my experience, several times North American buyers have responded that my Vietnam price offer is wildly off the mark and not competitive with their current China suppliers, China tariff included.

In the world of manufacturing and supply chain, I constantly hear: "Just start sourcing from Vietnam." That would be all fine and dandy assuming an apples to apples comparison but Vietnam is anything but China. Over the past two decades, China has perfected their manufacturing and supply chains to the point of employing robotics and automation churning out sophisticated products by the millions. Just take a trip to the hugely popular Canton Fair or attend one of the hundreds of trade shows and expos throughout the year; you will find every product imaginable, in every variant and color, too. Furthermore, China has the most up-to-date and modern infrastructure—from container ports, highways, railways, and warehouses—to deliver goods globally. In contrast, Vietnam only in recent years has started to emerge onto the manufacturing scene, known mostly for light furniture, textiles, sewing, and electronics parts.

Exasperated by the US-China trade war, Vietnam's manufacturing industry has been red hot, though, is not an equivalent China replacement. Buyers can expect less-than-stellar quality products and choices than China, met with challenging business practices and frustration due to the lack of manufacturing transparency, data, and information. While Vietnam may be a manufacturing dream destination for many your gains maybe, in the end, just that: a pipe dream.

Source: globaltrademag.com- Nov 30, 2019

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SGS opens apparel testing lab at Ethiopia's Hawassa Industrial Park

Equipped with state-of-the-art facilities this laboratory can provide a wide range of testing services for apparel and textile products

Ethiopia's long history in textiles began in 1939 when the first garment factory was established. In recent years the country's textile and apparel industry has grown at an average of over 50% and more than 65 international textile investment projects have been licensed as foreign investors, during this period.

Located on the Hawassa Industrial Park, in Hawassa in the South Nations & Nationalities Regional State (SNNPRS) of Ethiopia, verification, testing and certification company SGS opened a new apparel and textile laboratory in the industrial park. Provides fast and efficient tailor-made testing services to local businesses, assuring compliance with the relevant international regulations and requirements.

"Ethiopia is becoming a hub for ready-made garment exports to Europe and the USA, clearly demonstrating an increase in demand for consumer product testing services in this region," said Spencer Yeung, Vice President of SGS Global Softlines.

"Our new state-of-the-art facility can test against an array of international safety, quality and compliance requirements. In addition, our program of future development and investment ensures that this lab will be the only fully-fledged textile testing laboratory in the region."

"Our new state-of-the-art facility can test against an array of international safety, quality and compliance requirements. In addition, our program of future development and investment ensures that this lab will be the only fully-fledged textile testing laboratory in the region," Spencer Yeung added. In addition to testing services, quality inspection, compliance audits, factory assessment and loading supervision make SGS in Ethiopia a one-stop service provider for the country's textile industry.

Source: textiletoday.com.bd- Nov 30, 2019

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PRGMEA Suggests For Soft Loans To Exporters: Ijaz

Regional President of International Apparel Federation (IAF) and Chief Coordinator, Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) Ijaz A Khokhar has suggested the government to concentrate on providing soft loans to exporters engaged with garment industry.

Taking to APP here on Sunday, he said that technology development was determining factor and greatly influence the apparel industry in areas such as management performance, product development, marketing and many more. The modernization of industrial units would enable the businessmen to improve their quality of products as well as enable them cope the fast changing global trends, he said.

He said that Pakistan was emerging as a promising market for global brands and retailers, adding that Pakistan was also contributing to the worlds textile and apparel market. In last decade, the capacity of spinning, weaving and apparel making had grown tremendously especially in Asian countries, he pointed out.

Ijaz said the world apparel was changing rapidly and these changes had profound impact on the economy of Pakistan including labour market and under the circumstances there was a great need of shaping future not only for the apparel sector but also for the whole country for shaping the destiny of Pakistan.

Ijaz further said that close relationship of apparel with human development had a particularly profound resonance in developing world especially countries like Pakistan.

"It's our national obligation to support our economy whenever and wherever that opportunity arises", he said.

Replying to a question, he said that International Apparel Federation (IAF) was a global event of significance held in recent past was a big achievement which attended by delegates from Europe, United States, China, South Korea and Taiwan. He said the IAF conference would be helpful in presenting the soft image of Pakistan abroad as well as supportive in pulling the country out of economic crisis through boosting export of value-added textile products.
The IAF Regional President said the main focus was to send a soft image of Pakistan to give the participant knowledge about what Pakistan produces and to allow interaction between the Pakistani exporters and international textile chain.

Source: urdupoint.com - Dec 01, 2019

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NATIONAL NEWS

Union Minister Irani assures help on sericulture

In a bid to boost economic empowerment of the needy in Nagaland, Zhaleo Rio, IAS (Retd), Advisor to the Department of Sericulture, Excise & Minority Affairs, met Smriti Irani, Union Minister of Textiles, Government of India in New Delhi on November 25.

While expressing appreciation to the Union Minister for sanctioning 5 Sericulture Developmental Projects to Nagaland since 2014-15 to 2018-19 under North East Region Textile Promotion Scheme (NERTPS), Rio disclosed that "approximately 18,000 families have been identified as sericulturists in Nagaland and of which, about 5000 farmers have been assisted under the above schemes."

He also revealed that Nagaland was awarded the "Best Eri producing state in the country" in 2018 for its quality produce in sericulture, stated a press release from Media Secretary, NDPP 5 Ghaspani-II A/ C.

During further interaction, Rio highlighted that there were still thousands of identified sericulturists in dire need of assistance and requested the Union Minister to consider the Project Proposals under submission to the said Ministry through NERTPS during 2019-20. He said that it can cover about 3000 families including the request for extension of NERTPS program among Northeastern states particularly Nagaland, “which is a resource crunch state.”

The Union Minister assured to help the state in all possible way and expressed optimism on continuation of NERTPS program. The Advisor was accompanied by his OSD, Zaputuo Lhoungu, besides other department officials.

Source: morungexpress.com – Dec 01, 2019

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Govt announces 'Special Package' for garments and made-ups sectors, says Textiles Minister

Union Minister of Textiles Smriti Zubin Irani has said that the government had announced a Special Package for garments and made-ups sectors for the welfare of textiles sectors.

In a written reply in the Rajya Sabha, Irani said, "To boost exports and enhance competitiveness, of the textiles sector, Government has announced a Special Package for garments and made-ups sectors. The package offers Rebate of State Levies (RoSL), labour law reforms, additional incentives under Amended Technology Upgradation Fund Scheme (ATUFS) and relaxation of Section 80JJAA of Income Tax Act."

While speaking further on RoSL scheme, she said since it has been replaced by the scheme for Rebate of State and Central Taxes and Levies from 7th March 2019. Assistance is also provided to exporters under Market Access Initiative (MAI) Scheme.

The Minister also informed the Government has enhanced interest equalisation rate for pre and post shipment credit for exports done by Micro Small and Medium Enterprises (MSMEs) of textile sector from 3% to 5% from 2.11.2018. Benefits of Interest equalisation Scheme has been extended to merchant exporters from 2.01.2019 which was earlier limited to only manufacturer exporters.

Textile industry in India is subject to provisions of the WTO Agreement on Subsidies and Countervailing Measures (ASCM) which stipulate that if a developing country member's exports of a product has reached a share of at least 3.25% of world trade of that product for two consecutive calendar years, it will be considered as export competitive in that product. Further, export subsidies on such products shall be gradually phased out over a period of eight years.

Source: knnindia.co.in – Nov 30, 2019

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WTO ruling on Indian export subsidies: Tackling contradictions of the agreement on subsidies and countervailing measures

Last month, India's position regarding trade negotiations with the US suffered another setback. A World Trade Organization (WTO) ruling upheld the US complaint of Indian export subsidies being in violation of free trade norms. This is in line with US President Donald Trump's policy of undermining India's line-of-argument of its developing economy status posing limitations on full compliance with free trade.

WTO ruled against the country's domestic export subsidy programme under five sets of measures: Export Oriented Units Scheme and sector-specific schemes, including Electronics Hardware Technology Parks Scheme (EOU/EHTP/BTP); Merchandise Exports from India Scheme (MEIS); Export Promotion Capital Goods Scheme (EPCG); Special Economic Zones (SEZ) and Duty-free Import for Exporters Programme (DFIS).

The US' position has been that countries like India have been overstaying the initial concessions offered under special treatment as per the provisions of Agreement on Subsidies and Countervailing Measures (ASCM). As the champion of 'America first' policy, Trump has been critical of Indian tariffs, which he says are "the in the world and calls for "fair and reciprocal" trade.

ASCM was formed in order to aid the General (GATT) – the precursor to the WTO, with respect to the exceptional subsidies and restrictions permitted for developing nations gradually coming in the fold of international free trade. But the rights and obligations were laid down in broad terms, and concepts like export subsidies were defined in terms susceptible to a wide range of interpretations.

India's case on limitations posed by developing economy status

The US has claimed that India has moved up fast on economic and social ladders since the formation of the WTO in 1995, and is still unfairly enjoying special and preferential trade treatment by "self-designating" itself as a nation. New Delhi has refuted Washington's claims at the WTO, based on key that reflect nation's true economic status–ranging from per capita income, human development indices (HDI) and the burgeoning population living below the poverty line.

For instance, on HDI, as per latest UNDP figures, India ranks 130th out of 189 countries. The reality of such statistics, however, is ignored in international trade, as it only accounts for the factors that directly affect the GDP such as consumption, employment, and the performance of enterprises.

The gap between India and the rich nations is too stark to miss; the commercial nature and mass-scale production, of say, the agriculture industry in the US will be detrimental to the Indian economy if allowed to flood the market with cheap goods against the highly unorganised Indian sector. Besides, it would be extremely unfair if India would be treated on par with the US at the WTO, given that the per capita income of the US is over 15 times higher.

A strong manufacturing sector is essential to compete globally and can effectively stimulate more growth in other industries with a targeted policy. Without the necessary stimulus, it cannot hold up against its peers, like China who have successfully undergone a manufacturing revolution with state intervention.

Similarly, South Korea has undergone massive growth utilizing its Research and Development potential and is now a major supplier of the world's technological needs. India has been unsuccessful in shifting focus from an agriculture-based economy into a manufacturing hub utilizing its immense demographic dividend.

Developing nations like India need a lot of support in the form export subsidies to be able to direct their economy and continue the trajectory of growth. WTO, too, allows for preferential treatment to be extended out to them so long as they are still "developing". It is important to note here that to a certain degree; even developed nations institute subsidies on local products for better competitiveness in the global market.

Moreover, underperformance has stagnated the share of the manufacturing sector to the overall GDP growth in the past decade which is still stuck below 20% while other Asian economies have successfully. Hence, the Indian subsidies against which the WTO recently ruled, aimed to promote exports in industries like processed foods, handicrafts, leather goods, capital goods, and textiles – which are majorly dominated by small manufacturers.

In this context, India's pullout from RCEP can also be understood as it became necessary to hold out against the possibility of massive influx of cheap goods from better positioned state-controlled economies like China. Therefore, developing nations warrant special treatment Equitable and reasonable market access can only be provided to countries that are on a level-playing field. Providing export incentives can safeguard local industries to withstand pressure from a highly competitive global market.

Addressing the inherent contradictions under the ASCM

Under Article 3.1 of the ASCM, all developing countries mentioned in the Annex VII, with a gross per capita of $1,000 per annum for three consecutive years, are required to incentives. However, Article 27.1recognises that there must be a degree of flexibility in enacting this prohibition when it comes to developing countries, which provides exclusion of the export subsidy prohibition from applying to "other developing country members for eight years from the date of entry into force of the WTO."

The ambiguity thus lies in the language of the ASCM; Annex VII (b), which states that once the developing countries graduate to developed economy status, they will be "subject to the provisions which apply to other developed members according to Article 27.2(b)."

India and other Annex VII countries argue that the phrase "from the date of entry into force of the WTO" (Article 27.2(b)) has to be modified instead to mean from the *date of graduation of individual Annex VII countries*, from developing to developed nation status.

The purpose of creating a category of Annex VII countries was to accord a more liberal treatment on subsidies. However, that purpose is defeated, as once those countries reach $ 1000 GNP and all such countries are immediately put on a par with other developed nations. The date of counting this period as a matter of technicality, therefore, must not be used to take away the substantive right of a nation's transition period.

Developing nations like India, insist that special provisions like export subsidies "be gradually phased out over a period of eight years." This would allow the Indian exporters and the respective governmental agencies to prepare accordingly when the country crosses the GNP threshold.

In contrast, Article 27.4 of the ASCM calls for the provisions to end immediately.

Thus, a more nuanced approach on such special provisions is needed not only for developing economies, but also for the newly-developed economies. Making a case for WTO reform WTO members meet every two years at the Ministerial Conference to negotiate new rules for the multilateral trading system. The consensus mechanism of the WTO has failed to produce any new trade rules since the inception of the WTO in 1995, except the Agreement on Trade Facilitation, which came into force in 2017. This has greatly affected the WTO's ability to devise new rules to govern the 'new' economic order.

One such problem not adequately addressed is the benchmarking of development against gross per capita alone, while ignoring human development. This defeats the purpose of the WTO to help less-developed countries procures concessional terms and incentives. For instance, though India is one of the largest market economies, its social parameters hardly match its economic prowess of absolute terms. Substantial restructuring of provisions is thus required to alter the WTO system, a 25-year old body that is in dire need of revamping to be able to overcome such contradictions.

Also, the US is playing hardball on WTO's full functioning. For instance, President Trump has blocked appointments to the appellate panel governing the trade disputes and has further plans to shut down funding, effectively killing the organisation.

Even before the recent ruling, India had already taken steps to move away from the aid of export subsidies. New Delhi has already set the ball rolling to replace the Merchandise Exports from India Scheme (MEIS) and has proposed the Remission of Duties or Taxes on Export Product (RoDTEP) scheme which would come into force from 1 January 2020.

However, the appeal filed by India will join the queue of 10 other appeals over pending WTO dispute cases filed since July 2018. Until those appeals are cleared, India will be under no legal compulsion to make the changes recommended in the dispute settlement panel's recent judgment. However, the US could now use the panel's findings to put pressure on India to extract greater market access under the partial bilateral trade deal that is being negotiated.

Until then, however, in response to the judgment, India can shed light on the inherent contradictions of the ASCM and make a strong case as to why developing nations like itself need the special provisions to continue. While the gross per capita income has increased, the country is still grappling with widespread poverty and has living conditions that are far below than those of developed nations.

Source: orfonline.org– Nov 30, 2019

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12 global companies evinced interest to shift base from China to India: Nirmala Sitharaman

Finance Minister Nirmala Sitharaman on Saturday said about 12 global companies have evinced interest to shift their base from China to India, taking advantage of competitive tax rate of 15 per cent announced recently. In a biggest reduction in 28 years, the government in September reduced corporate tax rate by almost 10 percentage points in a bid to give a boost to sagging economy.

Base corporate tax for existing companies has been reduced to 22 per cent from 30 percent, and for new manufacturing firms incorporated after October 1, 2019 and starting operation before March 31, 2023, it was slashed to 15 per cent from 25 per cent. "I had said that I will form a task group, which will look into those companies which want to get out of China, and in the meanwhile I announced the corporate tax cut. There were many companies which were showing interest and wanting to come back.

"So, this task force has already started contacting many of these companies. The last count, I came to know was about 12 of them have already been spoken to, their minds understood, their expectation listed out so that the government can come up with a concrete offer for them to shift from where they are now, so that the ecosystems can get built here, new industries can come," she said. The minister said the word that was given for bringing newer industries, which are moving out of China, is actively moving forward.

"And I am sure, I will be able to report some progress on that," she added. With regard to investment of Rs 100 lakh crore in the next 5 years, she said, the task force will come out with a list 10 major infrastructure projects by

December 15 and investment in these projects would be front-loaded. "We made sure that a set of officers were looking into pipeline that can be readied, so that once the fund is ready and it will be frontloaded...that task is near completion," Sitharaman said.

Before December 15, she said the government will be able to announce the front-loading of at least a 10 major projects. The finance ministry in September set up a task force headed by Economic Affairs Secretary to prepare a road map for the "national infrastructure pipeline" from 2019-20 to 2024-25 under a Rs 100 lakh crore infra plan.

The task force expected to cover greenfield and brownfield projects costing above Rs 100 crore each. The finance minister also listed some of the measures taken by the government to boost consumption and liquidity in the system since August this year.

Talking about the GDP growth rates, she expressed hope that the next numbers should be better.

India's growth falling to a more than six-year low of 4.5 per cent in the second quarter of 2019-20 is sub-optimal and below the potential of the economy, the industry pointed out.

During the loan outreach programme in October, public sector banks have disbursed more than Rs 2.5 lakh crore, the finance minister said while outlining various measures taken by the government to revive economy.
"They (banks) reached out to 400 districts, literally the hinterland where the money went.

And as a result, now I can see somewhat that kind of spend has helped in somewhat reviving the consumer spirits and purchases have gone up and I also hope that it will lead to improvement in tax collections," she said. She, however, said the progress on partial guarantee scheme is not very satisfactory.

"I'd like to draw your attention to the partial guarantee scheme which we brought in, so that all the pooled assets could be bought over by the banks and for which the government would give the partial guarantee with a minor haircut... A lot more is going to be done on that and I admit that things have been a bit slow," she said at the Ecnomic Times Award event here. To ensure transparency in the taxation, Sitharaman said that faceless assessment has been introduced in direct tax, and indirect tax too will have this system soon. "And the last word on GST. The systems are really being worked on so that it becomes as simple as we claim it to be. We would further like to simplify it," she said. As regards the rationalisation of the taxation, she said, "We are having a good conversation with all the states and want to make sure that those essential items may be put to the lowest if not exempt, but for the rest of them, we are trying to rationalize".

Source: economictimes.indiatimes.com– Dec 01, 2019

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India will not negotiate any FTA on back foot; will protect India's interest: Piyush Goyal

India will not negotiate any free trade agreement (FTA) on the "back foot" and will always ensure protection of interest of people and industry, Commerce and Industry Minister Piyush Goyal said on Saturday.

Prime Minister Narendra Modi is ready to bite the bullet and because of that India decided to walk out from the mega free trade pact Regional Comprehensive Economic Partnership (RCEP) as the concerns of India was not addressed, Goyal said. "When we do FTAs...the trade deal with the US...we ensure that domestic interest and our industry is a paramount. That is what will define the terms of engagement of India with the rest of the world.

"No more will India stand with weak knees, no more will India negotiate from the back foot. The country plays on the front foot," he said here at the ET (Economic Times) Awards 2019. Talking about investments, he cautioned the e-commerce companies to follow the laws properly as millions of small traders are involved in the business in the country. "We shall not allow, just in the garb of investment, or even large investment, anybody to bring in unfair trade practices to India, howsoever big or powerful the company may be," he said.

"You call us swadeshi, we are happy to carry that tag," he added. The minister said that he is regularly getting complaints and "we have to address their concerns". "I would urge all that please recognise e-commerce" laws in letter and spirit, he said. Goyal cautioned the firms against giving huge price discounts, which are going to cut small retailers as "60 million small retailers in the country providing work to 120 million". Further, he said the government has laid out a roadmap for an investment of Rs 100 lakh crore in the next five years, which would lift the economy.

Source: economictimes.indiatimes.com– Dec 01, 2019

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Odisha government inks pact with Flipkart to help weavers

Odisha government on Saturday signed an MoU with e-commerce platform Flipkart to increase business and trade opportunities for weavers and artisans of the state.

As per the MoU signed between Handlooms, Textiles and Handcrafts department and Flipkart, the online shopping platform will run 'Flipkart Samarth Programme' in the state to provide time-bound incubation support and national market access to weavers, artisans and craftsmen to showcase their hallmark products. The programme will be rolled out within two months.

"As part of the initiative, the government will work with Flipkart for engagement with state-owned affiliated enterprises and undertakings that work with local artisans, weavers and crafts producers to provide market access, training and support," said Handlooms, Textiles and Handicrafts Minister Padmini Dian.

"This initiative will open national market access for the weavers and artisans of the state for Pan-India customer base of over 150 million while empowering them to leverage the benefits of e-commerce model," said Secretary of the department Shubha Sarma. The Minister also launched a composite automation system named 'Boyan Sparsha', an end-to-end enterprise resource planning software for effective management of Boyanika, the State Handloom Weavers Cooperative Societies Limited which records an annual turnover of Rs 150 crore at present.

Managing Director of Boyanika Jyoti Prakash Das said the software which was launched at the head office here on a pilot basis will be integrated with all 42 Boyanika stores by December 31. “From receiving indents to maintaining accounts and managing human resource at the organisation, everything was being done manually for which we were not able to improve our system effectively. However, use of new technology and software will prove to be a game-changer. It will help making our administrative system more organised,” Das said.

Source: newindianexpress.com – Dec 01, 2019

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Bengal is gearing up for the reverse buyer seller meet on textiles, apparel & jute

West Bengal will witness first ever 'reverse buyer seller' meet this year between December 6 and 8, in Eco Park at New Town. The meet is being organised by the Indian Chamber of Commerce (ICC).

In all, some 50 international buyers across more than 19 countries from the textile sector are coming to Kolkata to attend the meet, said a press statement issued by the chamber.

Big names such as TT Ltd, National Jute Board and Biswa Bangla is expected to be part of the event along with a gamut of MSMEs from the textile, apparel, fashion, home textiles, yarn and jute industry.

The Kolkata meet will become a game changer for the Bengal textile sector, the release said. It will also help revive sustainable fabrics such as jute, canvas and cotton as well as the long stagnant knitting industry through partnership with Garknit Exhibition.

The ICC release further added, motivation for the event came from the state minister for finance & industries Amit Mitra so that the MSME industry could benefit and look to move global. ICC National Expert Committee on Textiles chairman Sanjay Jain elaborated that the idea behind the meet is to give global exposure to small players lacking the fund to go and invest outside the country. The meet will bring international buyers from countries such as UAE. Australia, Saudi Arabia, Egypt, Morocco, China, Thailand, Sri Lanka, Myanmar, Poland, Mauritius, Malaysia, Iran, Jordan, Palestine, Rwanda.

Apart from international buyers, the event will also have few industry captains across the
country to support their buyers, Jain said. Karnataka is the partner state for the event.

Source: economictimes.indiatimes.com - Nov 30, 2019

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Boyanika launched "Boyan Sparsha", an initiative towards 5T

This is an initiative under 5T action plan of the Department. This SAP based ERP system is implemented by IDCOL software Ltd. Through "OASIS", a reputed software organization. This system has been conceptualized and designed for all Sale Branches of Boyanika and the Head office at Bhubaneswar.

The system has the facility to manage all business functions and day to day transactional matters pertaining to Boyanika. The system will synchronize the processes to get better results and ease out the hectic and repeated steps taken earlier during the manual processes. The system will provide accurate and faster results. All the processes and functionalities have been taken up so as to ensure smooth data synchronization and exchange.

The Go-live of "Boyan Sparsha" was inaugurated by Smt. Padmini Dian, Ho'ble Minister of State for Handlooms, Textiles & Handicrafts, Odisha today i.e. on 30.11.2019 at 3.30 PM in presence of Smt. Subha Sarma, IAS, Commissionercum-Secretary to Govt., Handlooms, Textiles & Handicrafts Department, Govt. of Odisha, Sj. Jyotiprakash Das, OAS(SAG), Director of Textiles & Handlooms, Odisha & Managing Director, Boyanika, Sj. Sesha Kumar Meher, President, Boyanika, Officials of the Department, Directorate & Boyanika. Hon'ble Minister congratulated Boyanika for this notable initiative and emphasized on more such initiatives to be taken so as to create a healthy atmosphere among weavers & customers. Commissioner-cum-Secretary to Govt. H.T &H Department Govt. of Odisha mentioned that the system is an effective step under 5T initiative of Govt.

Managing Director, Boyanika emphasized that this type of IT initiatives will establish a dynamic platform for maintaining transparency, building of trust, bridging the gap between producer and customer demands and above all for progressive growth of Boyanika.

The event ended with the vote of thanks by Sri Devaraja Sahu, Secretary, Boyanika. Additional Secretary to Govt. Shri Brundaban Behera, I.A.S, Joint Secretary to Govt. Smt. Anjana Panda and Departmental officers were present on the occasion.

Source: orissadiary.com - Nov 30, 2019

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