TEXPROCIL NEWS CLIPPINGS

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USD 72.92| EUR 83.04 | GBP 94.66 | JPY 0.64

Cotton Market (2-11-2018)		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22087	46200	**80.64**
Domestic Futures Price (Ex. Gin), November		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22390	46835	**81.75**
International Futures Price		
NY ICE USD Cents/lb (Dec 2018)	79.03	
ZCE Cotton: Yuan/MT (Jan 2019)	14,875	
ZCE Cotton: USD Cents/lb	**82.32**	
Cotlook A Index – Physical	**86.65**	

Cotton Guide: It's almost sacrosanct that Cotton future is failing to break below 76 cents. Precisely today is the 23rd session it has taken support. On Thursday market reversed very quickly and rapidly after making intraday low of 76.53 cent moved to 79.60 and finally closed at 79.03 cents per pound. However, on the higher side it is also not breaking the key resistance zone of 80.40 levels. Unless there is either side breakout market will continue to move in the same zone. Interestingly market is continuously absorbing all the external events and factors within the given price band. We have been having funds rollover positions, key economic numbers, currency volatility- USD making flip flop move, US exports sales figure. However, no major change yet seen on the market. Next week we have the important data from the USDA the WASDE Report scheduled on 8th November. We think traders across the globe might continue to keep mute while volatility may continue to prevail within aforementioned band.

Since the price had jumped over 4 per cent the trading volumes were substantially higher. The last month average daily volume has been around 20-25K contracts while on Thursday it had topped 70K contracts, spread trading has been active between December18 and March 19 contract amid roll over of positions. The aggregate open interests have held at 267K contracts marginally higher than the previous session. As of now we aren't sure if the price will break the upper side of the band and move further higher however, fresh trigger could lead the momentum to push price onto higher trajectory.

Despite poor weekly export sales report the cotton price jumped. We believe the general rebounding in commodity price amid lower USD is the major reason for price rise. The export sales report was indeed bad. Net sales of minus 49,000 bales upland were a marketing year low. This included 81,300 bales of upland cancellations to China, most of which appeared to have been rolled to new crop. Shipments were a paltry 114,700 bales including Pima.

A week-old press release from NASS seemed to be getting some attention. The release announces additional efforts to quantify harvested acres in hurricane-impacted Alabama, Georgia, Florida and South Carolina. Prices may have been supported by ideas that USDA could take a sharp knife to the Southeast crop numbers on its next supply demand report. Of course, this kind of expectation could be double-edged knife in the long run. On the technical front Thursday's rally struggled to overcome 50-day moving average resistance as mentioned near 80-80.40 cents. Note the moving average has stopped four rally attempts since October 22nd. If prices can move through this barrier, they may pop up towards 82.50. As said 76 and 75.37 are two key support levels in the market.

The reaction in the ICE future is clearly visible on the domestic future market. Active November future contract end the session on Thursday at Rs. 22550 up by Rs. 300 per bale from the previous session. Interestingly major parts of the gains have happened in the evening session of MCX while ICE market was active in the US. We think the trend may remain modestly positive as it may also take cues from the domestic spot market which is slowly declining amid arrivals pressure. The private estimates suggest all India arrivals to be currently averaged around 1, 40-150,000 bales. The spot price for S-6 has traded steady around Rs. 46500 per candy ex-gin.

FX Update: Indian rupee has opened higher by 0.4% to trade near 73.14 levels against the US dollar. Rupee has benefitted from sharp decline in crude oil price, recovery in global equity market and general correction in US dollar index. Brent crude trades weaker near $72 per barrel after a 2.9% slide yesterday on signs of higher supply from US, Russia and Saudi Arabia. Asian equity markets edged up today amid hopes of US-China trade talks. As per Bloomberg reports, Donald Trump and Xi Jinping expressed optimism ahead of meeting later this month in Argentina, with the US leader saying his Chinese counterpart wants to make a deal to end an escalating trade war. The US dollar index slumped 0.9% yesterday on disappointing manufacturing data and Bank of England aggressive rate hike stance. BOE warned that no-Brexit scenario could force central bank to consider faster rate hikes to contain price pressures. RBI-government concerns eased after government expressed support for central bank's independence and this also benefitted rupee. Rupee may trade with a positive bias amid general stability in equity market and weakness in crude however we may not see sustained gains as overall outlook for US dollar is still positive. USDINR may trade in a range of 72.9-73.45 and bias may be on the downside for the day.

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

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INTERNATIONAL NEWS

China Lowers Imports Tariffs to Diversify Sourcing Amid Trade War with U.S.

Effective Nov. 1 China lowered its import duties on 1,585 tariff lines as part of a long-term plan to diversify sourcing away from the U.S. The move is expected to benefit suppliers such as the European Union, southeast Asia, and countries participating in China's "One Belt, One Road" initiative.

China has responded to each stage of the Section 301 tariff increases the U.S. has imposed against imports from China with duty hikes of its own. However, this retaliation has resulted in higher costs for imports from the U.S., including key components in the supply chains for finished goods produced in China.

Anticipating that these mutual tariff increases will remain in place for an extended period, Beijing has announced several rounds of duty decreases to encourage more sourcing from other countries. Affected products have included cancer-related drugs (effective May 1) and automobiles, auto parts, and some consumer goods (effective July 1).

The latest round, which took effect Nov. 1, included lowering the average duty rates for the following products as indicated.

- construction machinery, instruments, and other mechanical and electrical equipment that have substantial domestic demand from 12.2 percent to 8.8 percent

- textiles, construction materials, etc. from 11.5 percent to 8.4 percent

- resource commodities such as paper products and primary processed products from 6.6 percent to 5.4 percent

(While affected goods from the U.S. will also benefit from these changes, they also remain subject to the retaliatory duties described above.)

As a result of these and previous adjustments, China's overall average import duty rate has been reduced from 9.8 percent in 2017 to 7.5 percent today.

Source: strtrade.com- Nov 03, 2018

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EU Is Said to Revise Plan to Fix WTO in Bid to Get US on Board

The European Union is revamping its plan to reform the World Trade Organization in an effort to win support from the U.S., according to two people briefed on the process.

The European Commission, the EU's Brussels-based executive overseer, is looking to address U.S. concerns about the WTO's hobbled dispute settlement system when it introduces a revised reform paper prior to the organization's Dec. 12 general council meeting, the people said, asking not to be identified while discussing confidential plans.

A commission spokeswoman said that the effort remains a work in progress and declined to offer further details.

The commission introduced a "concept paper" in September with a proposal to fix some of the WTO's flaws and address U.S. concerns about the dispute settlement system.

Specifically, the commission paper sought to address a half-dozen U.S. complaints about the functioning of the WTO appellate body, which has the final say in upholding, modifying or reversing rulings that often affect some of the world's biggest companies and billions of dollars in commerce.

U.S. Block

For more than a year President Donald Trump's administration has blocked new appointments to the appellate body, complaining that the forum has consistently overstepped its remit with aggressive interpretations of the rules.

If the U.S. continues its hold, the body will be paralyzed in late 2019 because it won't have the three panelists required to sign off on rulings.

The EU's initial plan would have meant an increase in the number of appellate body members, extend their term limits, and provide them with full-time jobs. Deputy U.S. Trade Representative Dennis Shea blasted that proposal during an Oct. 4 panel discussion at the WTO.

"Our view is that that means less accountability," he said. "We cannot support something that will make the appellate body less accountable."

Reform Talks

European Trade Commissioner Cecilia Malmstrom will discuss the commission's ideas Nov. 9 in Brussels at a meeting of the European Foreign Affairs Council on Trade. She will brief ministers from the 28-country bloc about her outreach efforts with trade officials from China, the U.S., and Japan, among others.

Last week, Malmstrom joined a dozen other senior trade officials in Ottawa to discuss prospects for reforming the Geneva-based trade body.

Ministers agreed to work together to strengthen the three core pillars of the WTO's work — negotiation, dispute settlement, and trade monitoring — and review their efforts at the WTO's January meeting in Davos.

Still, delegates from the U.S. and China were not invited and the question of how to get the world's two largest economies involved hangs over the reform effort.

Source: ttnews.com- Nov 01, 2018

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Who cares if China rips off the US?

Honor, an audio company owned by Chinese phone company Huawei, announced a new line of earphones Wednesday that look suspiciously like Apple's EarPods. Except they're called, erm, FlyPods.

Cue a slew of articles decrying the products as a “rip off” and “clones”, along with a typically sustained outcry from the tech commentariat:

That's Quinn Nelson, who runs the popular Snazzy Labs YouTube channel. The tweet came to our attention because Benedict Evans, a partner at famed venture capital fund Andreessen Horowitz, retweeted it.

Yet should we be concerned about flagrant copying? Looking back in history, stealing ideas from others has been crucial to economic development. Just ask America.

In 1789, a 21-year-old British textile engineer named Samuel Slater arrived in Philadelphia carrying a secret.

Born in Derbyshire, Slater grew up in the midst of Britain's booming cotton industry, centred on exporting powerhouse Manchester. Employed at the Strutt cotton mill in Belper from the age of ten (and as an engineer from 14), he witnessed first-hand the productive power of Sir Richard Arkwright's water-powered spinning frame.

One day in 1787, while doing a stint at another factory in Milford, Slater read a £100 bounty had been paid to a designer of a cloth making machine in New York. The idea came from Tenche Coxe, Hamilton's deputy at the Treasury, who created a system of rewards for those willing to share trade secrets with the US. With business booming on this green and pleasant land, the New World, clearly a few decades back in terms of technology, seemed to Slater to offer the best chance of making a fortune from his textile skills.

There was one problem though — British law. In 1774 legislation was passed barring textile workers from travelling to America. The UK had a technological edge, and it intended to keep it over the upstart US.

Slater had other ideas. Having memorised the intricate mechanisms of Arkwright's machinery, he set off for America under the guise of an indentured farm labourer. There he met Moses Brown of Providence-based textile firm Almy and Brown, and using Slater's expertise, it established a water-powered cotton mill in Pawtucket, Rhode Island in 1790.

This marked the beginning of America's cotton boom. According to several accounts, in 1790 the US was producing 2 million pounds of cotton, by 1830, this figure stood at 30 million.

Slater was lionised by America's elite, president Andrew Jackson referred to him as “the father of the American factory system” and on the website of public broadcaster PBS, he is listed as a key industrial figure in their “who made America?” glossary.

Over the pond, he is not remembered quite so fondly, often given the moniker “Slater the Traitor”. Yeesh.

There are parallels to be drawn with our attitude to China today.

Of course, there are some caveats. The world is now different to the mercantilist era of a few hundred years ago. For one, we have strict, and international, intellectual property laws that are designed to guard against misappropriation of ideas.

And that's not to mention the cavalcade of employment law designed to protect trade secrets, recently brought to attention by the legal dispute between Uber and Google over the search-engine's self-driving technology.

These laws are often enforced. Indeed, several large American companies, such as Apple, Boeing and General Motors have pursued legal action against China in the past decade for stealing information, to varying degrees of success.

IP theft has not just been a focus at a corporate level; the federal government has concerns too. Obama pressed China numerous times on the issue, while Trump's tariffs are in partial retaliation for years of IP infringements.

It is also hard to argue the People's Republic is a frontier economy any more, as the US once was, and therefore deserves leniency in its attempts to play catch-up.

However, we might also remember its GDP per capita is around 15 per cent of the States, according to the World Bank, so it still has a long way to go in its economic development.

Arguably the consternation over China's appropriation of Western commercial methods, whether aesthetic, technological or mechanical (often inseparable in the world of consumer electronics) reflects wider concerns over America's influence in the world.

It is no coincidence that Peter Navarro, Trump's trade adviser, authored a book called “Death by China”. Britain had similar concerns, perhaps less crudely expressed, in the 18th century following the declaration of independence in 1776.

But, in reality, China is not following a different development play book to anyone else. Bill Janeway, an economist at Cambridge and a former venture capitalist at Warburg Pincus, often cites a quote from economist Friedrich List which feels relevant here:

This applies to the movement of ideas too. It's easier to let copycats slide if they won't erode away your competitive advantage. Imitation is the sincerest form of flattery, after all.

But at the moment, it's clear China doesn't believe it is in its interests to completely forge its own commercial path. And, to be honest, looking at how America developed, it is probably right.

Source: ftalphaville.ft.com- Nov 02, 2018

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Fall in world cotton production likely this year

Global production of cotton is expected to decrease in 2018-19.

Although Brazil and West Africa are expected to see an uptick in planted area, they are unlikely to be significant enough to offset losses in Australia, China, India and the United States.

The decline in global ending stocks continues as well, down 22 per cent from 2014-15.

The trend is expected to continue next year, with the projected six per cent decrease further eroding stocks.

Due to uncertainties in the world economy and trading market, the global consumption forecast for 2018-19 has been revised downward to 27.5 million tons.

Demand for Indian cotton is robust from China as a trade war is prompting the world's top consumer to avoid imports from the United States.

Indian cotton prices are ruling 10 per cent lower than international prices.

The minimum support price is up 26 to 28 per cent, notwithstanding favorable monsoon conditions.

Source: fashionatingworld.com- Nov 02, 2018

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USA: Trade Deficit Edges Up as Imports, Exports Both Increase

The U.S. trade deficit in goods and services rose for the fourth straight month in September, up 1.3 percent to $54.0 billion, according to trade statistics released by the Department of Commerce.

Exports were up 1.5 percent to $212.6 billion while imports rose 1.4 percent to a record-high $266.6 billion. For the year to date, the total trade deficit is up 10.1 percent from 2017 as exports have risen 8.2 percent and imports have increased 8.6 percent.

Country/region	Deficit	% Change	Surplus	% Change
China	$37.4 billion	+8.7		
European Union	$14.2 billion	-4.7		
Mexico	$7.6 billion	-12.6		
Germany	$5.2 billion	-1.9		
Japan	$4.9 billion	-15.5		
Italy	$2.3 billion	-14.8		
Canada	$2.2 billion	-26.7		
South Korea	$2.0 billion	+11.1		
India	$1.7 billion	-10.5		
France	$1.5 billion	+15.4		
Saudi Arabia	$1.5 billion	+36.4		
Taiwan	$0.9 billion	+28.6		
United Kingdom	$0.2 billion	+100.0		
South/Central America			$3.2 billion	-5.9
Hong Kong			$2.4 billion	+4.3
Brazil			$0.6 billion	+20.0
Singapore			$0.1 billion	-83.3

The deficit in goods trade rose 0.8 percent to $77.2 billion in September. Imports of goods gained 1.6 percent to $219.1 billion, including increases of $500 million each for telecommunications equipment, civilian aircraft engines, and textile, apparel, and household goods and $400 million each for computers, computer accessories, and toys, games, and sporting goods.

Exports of goods were up 2.1 percent to $141.9 billion, including increases of $1.2 billion in civilian aircraft, $.1 billion in petroleum products, and $1.0 billion in non-monetary gold along with a $700 million decrease in soybeans.

The services surplus slipped 0.4 percent to $23.2 billion as imports rose 0.8 percent to $47.5 billion and exports gained 0.4 percent to $70.7 billion.

Source: strtrade.com- Nov 03, 2018

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China Rebounds: US Apparel Imports Up in September Following Trade War-Induced Declines

The United States' apparel imports from China bounced back in September after months of declines amid a tariff war that caused companies to shy away from a country which may have been their chief supplier.

But as brands and retailers gear up for the crucial holiday selling period—and before a threatened 25 percent increase in tariffs by the Trump administration could take effect in the new year—China was back in the mix as a key source of goods.

September apparel imports from China increased 5.99 percent in volume, to 1.35 billion square meter equivalents (SME) compared to a year earlier, and rose the same percentage in value to $3.13 billion, according to the Office of Textiles and Apparel (OTEXA). Vietnam, the second-largest apparel supplier to the U.S., saw its shipments rise 7.87 percent in volume, to 317 million SME year-over-year, and 8.1 percent in value, to $1.11 billion.

The top 10 sourcing countries saw mixed results in September compared to the same month last year. Gainers included Bangladesh, with volume increases of 11.8 percent, to 171 million SME, and 16.5 percent in value to $503.29 million; and India, with hikes of 4.91 percent in volume, to 81 million SME, and 3.8 percent in value to $271.61 million.

Those losing ground included Indonesia, dropping 4.8 percent in volume terms, to 92 million SME, and 3.3 percent in value to $370.35 million. U.S.

Imports from Cambodia were down 5.3 percent in volume and value, to 101 million SME, and $233.47 million, respectively. Pakistan saw a volume decline of 11.09 percent, to 43 million SME, and 8.2 percent in value to $110.2 million.

Among the three top 10 Western Hemisphere suppliers, imports from Honduras increased 4.3 percent in volume terms to 90 million SME, and 16 percent in value to $240.7 million.

El Salvador's shipments were up 9.6 percent in volume to 65 million SME, and 14.3 percent in value to $172.45 million, while imports from Mexico fell 2.92 percent, to 65 million SMEs in volume, and declined 6.1 percent, to $299.3 million in value.

Other Western Hemisphere countries with notable increases in September were Haiti, with a 15.4 percent rise in value to $76.91 million; the Dominican Republic, up 21.6 percent to $67.97 million; Guatemala, with an increase of 10.1 percent to $113.53 million; and Colombia, up 29.9 percent to $19.19 million.

African nations continued to make strides as a sourcing destination, too. Kenya posted a 30 percent increase in shipments to the U.S., increasing to $44.52 million worth of goods.

Ethiopia doubled its shipments to $9.1 million, while apparel imports from Egypt increased 12.5 percent to $71.47 million, and goods from Tanzania were up 20.9 percent to $4.26 million.

OTEXA reported textile and apparel imports from around the world increased 4.7 percent year over year in September, reaching 6.21 billion SME.

Textile imports, specifically, were up 4.4 percent to 3.49 million SME, while apparel imports rose 5.1 percent to 2.71 billion SME.

The United States' international trade deficit in goods and services increased to $54 billion in September from $53.3 billion in August, according to the U.S. Census Bureau.

This reflected a $600 million increase in the goods deficit, to $77.2 billion, and a $100 million decrease in the services surplus, to $23.2 billion.

Source: sourcingjournal.com- Nov 02, 2018

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Next US tariff blow may be 10 times worse: Citigroup

The United States is reportedly preparing to announce tariffs on all remaining Chinese imports by early December, whose impact on US consumers may be as much as 10 times higher than earlier rounds of levies, according to a report from Citigroup economists.

The additional tariffs may boost inflation even more than what is currently anticipated, it said.

Citigroup is a US multinational investment bank and financial services corporation headquartered in New York City.

"Amid tight labour markets and higher input costs, we think there is a risk that firms decide to pass through some of the costs to consumers," US media quoted analysts Cesar Rojas, Catherine Mann and Veronica Clark as writing in the Citigroup Global Markets report released late last month.

The impact of a 10 per cent tariff on the $267 billion of Chinese imports could be 10 times larger than the first $50 billion round and double that of the $200 billion tariffs in the second round, the analysts wrote.

The new penalties, which could take effect in early February, would cover Chinese-made consumer goods like Apple iPhones and Nike shoes.

Apparel and footwear manufacturers and retailers are planning for the higher tariffs, according to Stephen Lamar, executive vice president of the American Apparel & Footwear Association (AAFA).

As companies mull over shifting to suppliers in other Asian countries, the law of supply and demand is putting upward pressure on costs in neighbouring countries like Vietnam and Cambodia, Lamar added.

Source: fibre2fashion.com- Nov 03, 2018

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World manmade yarn exports down 36 per cent in Q2

World manmade yarn exports dropped 36.28 per cent in the second quarter. The drop was 36.25 per cent if compared to the corresponding period last year.

Manmade filament yarn exports fell 32.25 per cent over the previous quarter and 24.50 per cent over the corresponding period of last year.

Manmade staple fiber yarn exports witnessed a drop of 47.41 per cent over the previous quarter and a 45.75 per cent drop over the corresponding period of the last year.

India's manmade yarn exports grew 3.02 per cent in the second quarter over the previous quarter and compared to the same period last year the growth climbed to 28.88 per cent.

Under total manmade fiber exports, India's synthetic filament yarn exports accounted for a share of 95 per cent.

Synthetic filament yarn exports from China grew 12.43 per cent over the previous quarter and 33.09 per cent over the corresponding period last year.

Turkey's manmade yarn exports grew 3.91 per cent over the same period last year but from the previous quarter there was a fall of 7.67 per cent.

Mexico is the top export market for USA's synthetic filament yarn. The other top export markets are Canada, El Salvador, United Kingdom and China.

Source: fashionatingworld.com- Nov 02, 2018

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Trade war impact deepens across Asia, but 'real economic shock' yet to hit

The economic impact of the intensifying trade war between Washington and Beijing appeared to deepen last month with factory activity and export orders weakening across Asia, but analysts warned the worst was yet to come.

In a sign conditions for exporters and factories were deteriorating, manufacturing surveys showed marginal growth in China, a slowdown in South Korea and Indonesia and a contraction in activity in Malaysia and Taiwan.

Those figures follow weaker-than-expected industrial production data from Japan and South Korea on Wednesday, with output in the latter shrinking the most in over 1-1/2 years.

By contrast, the U.S. ISM manufacturing survey for October due later on Thursday was expected to show a much faster growth pace than in Asia, albeit a tad slower than in September, supporting the outlook for further Federal Reserve rate hikes.

Worryingly, the prospects for higher U.S. rates could feed back more market pain for the region’s externally vulnerable economies — Indonesia, India and the Philippines, which have already been forced to raise rates to mitigate a sell-off in currencies, stocks and bonds.

“You have a tightening of monetary conditions around the world, a slowdown in Chinese demand, and financial market turmoil that affects sentiment and investment decisions,” said Aidan Yao, senior Asia EM economist at AXA Investment Managers.

Yao said many orders from abroad are still frontloaded in anticipation of yet more tariffs and the impact is still mostly indirect, through the business confidence channel.

“The real economic shock is yet to come,” he said.

China’s manufacturing sector barely grew last month after stalling in September and export orders contracted further, according to a private sector manufacturing report.

An official survey on Wednesday showed the manufacturing sector expanding at its weakest pace in over two years, hurt by slowing demand both externally and domestically.

Japan showed more resilience, with activity picking up, though at a slower rate than in a previous flash estimate. The world's third-largest economy faces pressures in other areas with its central bank trimming the inflation outlook on Wednesday, flagging external risks.

Source: reuters.com- Nov 02, 2018

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Mexico, Turkey emerge new manufacturing destinations

As per a new McKinsey study, western brands are finding it easier to produce in low-cost countries due to the rising costs in China. For brands selling in the US, Mexico has emerged as the most suitable option while for labels selling in Europe, Turkey is a prime manufacturing destination.

Benefits of nearshoring

According to McKinsey, labor costs in China in 2005, which were about one-tenth of the US, are now about one-third. This rise has resulted in labor in some "nearshore" countries being cheaper—than in China. For instance, making a pair of jeans in Mexico and importing it into the US costs about 12 per cent lesser. For a company looking to import its jeans into Germany, Turkey is 3 per cent cheaper than China.

Although producing the same pair of jeans cost 20 per cent less in Bangladesh; Turkey and Mexico are preferred due to their shorter delivery times from those countries. The shorter lead times yield a number of benefits, creating an added economic bonus.

New technologies to speed up deliveries

Fashion companies are embracing new technologies to speed up deliveries. McKinsey assumed a hypothetical scenario whereMexico Turkey emerge new manufacturing destinations 001 all major technologies currently in development were implemented, and worked with a university in Aachen, Germany, and the Digital Capability Center Aachen to calculate the cost savings in time and labor for producing a pair of jeans.

Based on their calculations, to produce the jeans in China with automation and import them into the US, the final cost ends up being around $11.40. But to produce them in Mexico with automation and import them into the US, the cost would be about $10, plus the assorted benefits of the shorter lead time, too.

Slow pace of growth

Experts agree these changes are happening but are likely to take a long time. China has built up a manufacturing infrastructure and capacity that other countries just can't match. Some brands are already moving a share of production to nearby countries, but a large-scale shift might not be possible until those countries are able to build up factories to handle the workload.

The vast majority of this work currently happens in Asia, particularly in China, especially in the case of any specialised fabrics. Companies may assemble finished garments in Mexico or Turkey, but they buy and import all their materials from much further overseas. With shipping costs and duties rising, many Western brands are likely to keep their production in Asia.

A shift from China

Clothing and footwear brands are being pushed to look outside China and nearer to home for manufacturing. It allows brands to respond better to the needs and wants of today's demanding, internet-enabled shoppers, and that's why brands including Nike, Adidas, Levi's are changing the way they make their products—and investing in things like automation and moving production nearshore.

Ultimately, it's not so much a question of whether garment production will move away from China and closer to Western markets, rather it will be how much of the supply chain will be rerouted, and when.

Source: fashionatingworld.com- Nov 02, 2018

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Vietnam garment exports surge on U.S.-China trade war

Vietnam's garment exports are set to rise by 14.8 percent this year to $35 billion, an industry official said on Friday, as U.S. retailers diversify their product sourcing to keep costs under control amid an escalating trade dispute with China.

The U.S. has already imposed tariffs on $250 billion worth of Chinese goods, and China has responded with retaliatory duties on $110 billion worth of U.S. goods.

Garments, Vietnam's second largest export-earner after smartphones, are not yet subject to U.S. tariffs, although some manufacturers have sought to move at least some production to the Southeast Asian country, anticipating potential penalties.

"We are seeing more and more orders coming in, especially from the United States," Vu Duc Giang, chairman of Vietnam Textile & Apparel Association, told Reuters.

Garment exports to the United States rose 12 percent in the January-October period to $10.5 billion, while exports to China surged 40 percent to $1.1 billion, according to a government statement released on Thursday.

Ngo Quang Thoa, chairman of Swimax International Joint Stock Co, a contractor which produces swimwear and underwear products for U.S. companies such as Target and Express, said he had received a large increase in orders from the United States since January.

"This is because of the trade war between the U.S. and China," said Thoa, who added that he expected to see his exports to the United States increase by up to 20 percent by the end of the year.

"Some U.S. clients are already making strategic adjustments to their business plans to diversify their supplies, even though Trump hasn't targeted Chinese garments in the tariff war yet," he said.

Vietnam is home to over 6,000 textile and garment factories which employ around three million people, Thursday's government statement said.

Giang, chairman of Vietnam Textile & Apparel Association, told Reuters those figures were likely to grow, thanks to a plethora of Vietnamese free-trade agreements, and not just because of the U.S.-China trade spat.

Vietnam has signed around a dozen free-trade agreements that will remove or reduce taxes on several imports and exports.

Foreign investors poured in $2 billion in Vietnam's garment and textile production in the first eight months of this year, Giang said.

Most investors were from Japan, South Korea, Taiwan and China, he added.

"They have been upping their investment in Vietnam for years," said Giang.

Source: reuters.com- Nov 02, 2018

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Cambodia's Garment Manufacturing Industry

Cambodia is strategically located in the heart of Southeast Asia. The country is bordered by Thailand, Laos, and Vietnam, and has the Gulf of Thailand to its south-west. The country is popular for providing a low-cost manufacturing base for several industries.

Among the many advantages that the country offers to investors are duty-free access to some large and developed markets, a stable economy, and several government incentives.

Additionally, there are several special economic zones exclusively established to promote manufacturing across the country. In this article, we briefly discuss the chief characteristics of the garment manufacturing industry in Cambodia and the advantages it offers to foreign investors.

Cambodia's garment manufacturing industry – a key driver of growth

Cambodia's garment manufacturing industry is largely export-oriented and highly integrated into global supply chains.

The European Union (EU) represents the largest market for Cambodian garment exports, accounting for approximately 40 percent of the total manufacturing, followed by the United States (30 percent), Canada (9 percent), and Japan (4 percent). Many companies in the country operate as contract manufacturers for major multinational brands such as Adidas, Gap, H&M, Marks & Spencer, and Uniqlo.

In the early 1990s, the Cambodian government took various measures to boost the industry's competitiveness in the international market, which prompted foreign investors to direct their attention to the country. Additionally, the country's industrial development was supported by the Multi-Fiber Arrangements (MFA) quotas and other preferential trade agreements implemented by developed countries like the US and EU.

Two decades later, the garment industry continues to drive the Cambodian economy through human capital development, employment generation and foreign direct investment (FDI). Currently, the industry employees over 600,000 people, making the sector the biggest employer in the country.

Further, the garment industry accounts for 16 percent of the gross domestic product (GDP) and 80 percent of Cambodia's export earnings. In 2016, the total number of garment factories in the country stood at 589 factories.

Cut-make-trim model

Cambodia's garment factories are generally based on the principle of cut-make-trim (CMT) model. Under this method of production, the raw material, machinery and the design of the garments are imported from abroad, while the assembly of the product is outsourced to the labor-intensive factories in Cambodia.

The CMT implies cutting and sewing of material according to the clothing brands' specifications.

The garment industry is essentially dominated by foreign owned firms, mainly from the neighboring countries such as China, Hong Kong, Singapore, Malaysia and Republic of Korea.

The association with foreign-owned garments firms or brand names provide Cambodia's garments industry an important channel into the garments global value chain.

Low-skilled workforce

The garment industry in Cambodia is essentially based on low-skilled, labor-intensive activities. Cambodia has a significant proportion of its population living below the poverty line with low levels of education. As a result, the country has a large pool of low-cost, and low-skilled workers. The vast majority of workers employed in the garment factories are women with minimum skills. Only a small proportion of the workforce includes higher skilled workers and professionals; these are mostly managers, supervisors, or members of the operations department.

Geographical distribution

Over 60 percent of Cambodia's garment factories are located within or in close proximity to the capital city – Phnom Penh. The finished products are transported from the factories in Phnom Penh by train to the seaport of Sihanoukville where the garments are shipped to other countries.

Other key locations of garment factories are Kompong Som, Kompong Speu, Kompong Cham, Kompong Chhnang, Svay Rieng, Takeav and Kandal provinces.

Advantages of Cambodia

Strategic location

Cambodia is strategically located in the center of the east-west corridor of the Greater Mekong Sub-region (GMS), providing access to key world markets. This helps businesses take advantage of low-cost manufacturing in Cambodia as well as huge demand for its products in Asia.

Competitive labor force

Labor in Cambodia is cheaper than most regional competitors, except Laos and Myanmar. In 2017, Cambodia's monthly minimum wage of workers in its garment industry increased to US$153, a double of the 2012 level. Yet, the country's monthly minimum wage remains the most competitive when compared to Thailand (US$250) or Vietnam (US$166).

Preferential market access

Cambodia is a member of the ASEAN Free Trade Area (AFTA) – a regional economic integration pact wherein Cambodia benefits from the Common Effective Preferential Tariff (CEPT) agreement that reduces or eliminates tariffs on the manufactured goods traded between the 10 ASEAN member countries.

The rapidly integrating ASEAN makes Cambodia an attractive investment destination because of its low-cost manufacturing, large regional markets and easier sourcing of raw material within the ASEAN Economic Community.

Cambodia has also been a member of the World Trade Organization (WTO) since 2004; this has increased its trade integration with the US and the EU.

Cambodia benefits from the EU's 'Everything but Arms Scheme (EBA)', which allows low developing countries such as Cambodia duty-free access to the EU's market for all export goods.

The EU has however, in October 2018, announced that it has launched the procedures for the withdrawal of Cambodia's benefits under EBA over the country's allegedly poor human rights record.

According to the EU, Cambodian exports might lose their duty free access to the EU market unless significant improvements are made on the human rights front. Europen diplomats have indicated that it will take at least one year for a final decision to be made.

Supportive government policies

Some of the many incentives offered by the government of Cambodia include 100 percent foreign equity ownership, tax holidays of up to 9 years, and exemption from import duty on machinery and equipment. In addition to that, Investors can repatriate profit freely and reinvestment of earnings is encouraged with special depreciation allowances.

Conclusion

Over the years, Cambodia has had a steady flow of foreign investment in its garment manufacturing industry demonstrating the many opportunities that the country offers to its foreign investors.

Though certain challenges remain while doing business in a developing country like Cambodia – such as infrastructural gaps, and high energy costs – the considerable competitive advantages that the country offers cannot be ignored.

Source: aseanbriefing.com- Nov 02, 2018

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Domestic supplies important to Vietnamese garment & textile industry

Vietnam's textile industry could not take full advantage from the new-generation free trade agreements like the Europe-Vietnam free trade agreement (EVFTA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) if it continues dependence on imported raw materials and accessories, according to watchers.

A report from the Ministry of Industry and Trade (MoIT) said Vietnam shipped 22.56 billion USD worth of garment and textile products to foreign countries in the first nine months of this year.

Meanwhile, cotton import turnover in the period surged 30.3 percent to 2.41 billion USD, and purchase of fabric increased 13.5 percent year on year to 9.39 billion USD and that of yarn was estimated at 1.78 billion USD, up 34.6 percent.

Deputy Minister of Industry and Trade Tran Quoc Khanh has said the garment and textile sector is expected to earn high revenue of 35 billion USD this year. "We have enjoyed high export earnings but we do not have materials," he pointed out.

Particularly, when the EVFTA and the CPTPP take effect in the end of this year, with tax lines cut to zero, Vietnamese garment and textile products will have opportunities to expand its market share in Canada, New Zealand and Australia. However, the two deals set high requirements in terms of thread and fabric origin, which poses barriers to the industry when it is tangled in the middle, productive in terms of final products but grinding to a halt in the production of materials.

Pham Tat Thang, a senior researcher at the MoIT, said domestic textile firms are able to produce 0.8 billion metres of fabric each year, meeting only around 13 percent of the total demand. This means the country still has to import 5.2 billion metres of fabric annually.

Thang said that even the home-made amount is not qualified to make high-quality products. In fact, many businesses have to import more than 90 percent of its material to satisfy production.

Chairman of the Vietanm Textile & Apparel Association (VITAS) Vu Duc Giang said that the association has called for foreign investments to ensure sufficient supply for the sector. During January-August, the country secured over 2 billion USD in foreign direct investments (FDI) in the garment and textile industry. Those include a 50 million USD sheep wool yarn spinning plant in Da Lat city, invested in by German Sudwolle, and a 13.8 million USD sewing threads factory in Quang Nam province by German Amnn Group.

Domestic firms have also invested heavily in weaving and dying. Advanced technology has been applied in Phong Phu International JSC in softerner wash process for its jeans and khaki products. Meanwhile, Bao Minh company recently opened its weaving factory in Nam Dinh province, with a designed capacity of over 35 million metres of fabric each year – 70 percent of which will be yarn-dyed.

Giang expressed his belief that with the presence of new weaving companies, the sector will have sufficient material to ensure its sustainable development.

Source: en.vietnamplus.vn- Nov 02, 2018

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Modi Government Promises MSMEs Loans Up To Rs 1 Crore, In 59 Minutes

The Indian government announced the full launch of a new portal that helps micro, small and medium enterprises to avail credit within an hour.

Small businesses can use the '59-minute' portal to avail loans of up to Rs 1 crore, Prime Minister Narendra Modi said at an event in New Delhi. Small enterprises registered under the goods and services tax will also get a 2 percent tax rebate on incremental loans of up to Rs 1 crore, Modi said.

The project was implemented on a pilot basis after it was approved at the annual review meeting of public sector banks. Since then, more than 72,000 loans worth over Rs 23,852 crore have been sanctioned, Modi's presentation showed.

The portal is set up by the Small Industries Development Bank of India. MSMEs can register and apply for a loan. Their application goes to two or three banks with the aim to get them best possible interest rates following which it receives an in-principle approval. Most of the public sector banks are on board the portal.

This is part of the Modi administration's outreach programme to strengthen the country's MSME sector and ensuring ease of credit availability for them.

The goods and services tax council had also established a panel of finance ministers to look into the issues that the country's small businesses were facing.

"Small businesses should get easier access to loans without having to frequently visit bank branches, at a cheaper interest rate," Modi said. "That's the first requirement for any business."

Modi added that now public sector enterprises will have to buy 25 percent of their inputs from the MSME sector, compared with 20 percent earlier. The government will also allocate up to Rs 6,000 crore to develop technology centres for small business.

The government will also ease procedures for MSMEs to do business. Modi said that small businesses will now only have to file one return annually under eight labour laws. He said inspection will be technology-based and the report will be submitted on the portal within 48 hours.

The prime minister unveiled 12 initiatives for MSMEs, which he called "Diwali gifts". They are:

1. Loans for MSMEs up to Rs 1 crore can be granted in 59 minutes, which can also be availed through goods and services tax portal.
2. A 2 percent interest subvention will be given on incremental and new loans to GST-registered MSMEs. For exporters who receive loans in pre- and post-shipment period, an increase in interest rebate has been given from 3-5 percent.
3. All public-sector companies and corporates with turnover exceeding Rs 500 crore will have to mandatorily register on Trade Receivables Electronic Discounting System portal. This will improve the cash cycle for MSMEs as it will enable entrepreneurs to access credit from banks, based on their upcoming receivables.
4. Public-sector undertakings will have to buy their 25 percent of their inputs from MSMEs from 20 percent earlier.
5. Of the 25 percent, 3 percent of procurement will have to done by women entrepreneurs or women-led MSMEs.
6. All central public sector enterprises will have to come on board of Government e-Marketplace so that they can procure goods from MSMEs listed on the portal.
7. Technology upgradation support will be given to MSMEs. About 20 technological centres will be made as hubs and 100 centres as tool rooms will be created at the cost of Rs 6,000 crore.
8. Clusters will be created for pharma MSME companies so that they can reach customers directly. About 70 percent of the cost for creating these clusters will be borne by the central government.
9. MSMEs will have to file only one return under eight labour laws and 10 central rules against two returns earlier.
10. Inspection would be done based on computerised random allotment and report of inspection will have to be submitted within 48 hours on

the reporting portal. This will free MSMEs from Inspector Raj (regime), Modi said.

11. Process of environmental clearance has been simplified, and MSME will require only one approval for "environmental clearance" and "consent to establish" under Air and Water Act.
12. Ordinance has been approved for simplifying levy of penalty for minor offences under Companies Act. This will avoid unnecessary harassment to small business owners, and they won't have to approach courts, but can correct minor violations through simple procedures.

Source: bloombergquint.com- Nov 02, 2018

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India jumps 30 points in Ease of Doing Business - A proud moment - says Chairman, TEXPROCIL

India's rank in the World Bank's Ease of Doing Business 2019 survey climbed 23 places to 77 among 190 countries surveyed, making it the only country to rank among the top 10 improvers for the second consecutive year.

"This is a huge achievement for our country of which we are all proud of", said Shri Ujwal Lahoti, Chairman, The Cotton Textiles Export Promotion Council (TEXPROCIL).

According to the World Bank "Starting a business in India has been made easier through consolidation of multiple application forms and introduction of a goods and services tax (GST), while getting electricity was made faster and cheaper.

Other reforms in India included strengthening access to credit as well as making it easier and faster to pay taxes and trade across borders."

The Chairman, TEXPROCIL pointed out that India saw a similar improvement in the "trading across borders" section to 80th position from 146th a year ago.

This improvement was made possible by reducing the time and cost to export and import through various initiatives, including the implementation of electronic sealing of containers, upgrading of port infrastructure and allowing electronic submission of supporting documents with digital signatures under its National Trade Facilitation Action Plan 2017-2020.

Shri Lahoti acknowledged that for the textiles exporters, remarkable improvements are visible at the ports, customs, Regional offices of DGFT EDI systems etc.

Shri Ujwal Lahoti, complimented the Hon'ble Prime Minister, Shri Narendra Modiji and the Government for taking all necessary steps on a war footing to ensure ease of doing business which has made this possible. The Chairman, TEXPROCIL expressed his confidence that India will be breaking into the top 50 in the World Bank rankings very soon.

Source: Texprocil Textile Intelligence - Nov 02, 2018

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TEXPROCIL welcomes Package for the MSME sector

The Hon'ble Prime Minister, Shri Narendra Modi announced a MSME support programme today to revive the sector. 12 new programmes have been announced. Interest subvention on pre-shipment and post –shipment finance for exports by MSMEs has been increased from 3% to 5%.

Welcoming the announcement, Shri Ujwal Lahoti, Chairman of The Cotton Textiles Export Promotion Council TEXPROCIL) said, "These measures will provide a much needed support and encouragement to the MSME sector which contributes significantly to the textiles exports".

Under the package, GST-registered MSMEs will get 2% interest rebate on incremental loan upto Rs. One Crore. A web portal has been launched through which MSMEs can avail of loans up to Rs. One Crore.

The portal will enable principal approval of loans up to Rs 1 crore for MSMEs from Small Industries Development Bank of India (SIDBI) and 5 Public Sector Banks (PSBs) - State Bank of India, Bank of Baroda, Punjab National Bank, Vijaya Bank and Indian Bank.

The MSME sector accounts for about 45% of manufacturing output and around 40% of the total exports. One of the problems being faced by the MSMEs is in getting bank finances.

The announcements has certainly come as a huge relief for the MSME sector as majority of them being in the informal sector find it extremely difficult to raise funds for their business activities as credit appraisal is a major challenge", according to the Chairman, TEXPROCIL .

Source: Texprocil Textile Intelligence - Nov 02, 2018

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India defers retaliatory duties on 29 US products yet again

Officials of India and the US are in discussions to finalise a kind of trade deal

India, for the third time, extended the deadline for the imposition of higher customs duties on 29 US products, including almond, walnut and pulses, by another 45 days until December 17, the government said Thursday.

According to a notification by the finance ministry, the implementation of the duty hike has been postponed until December 17. The commerce ministry had asked its finance counterpart to extend the deadline for the rollout of duty hike further.

In June, India decided to impose retaliatory tariffs from August 4. But it was extended by another 45 days till September 18 and then again till November 2. As part of imposition of higher import duties, New Delhi has notified higher tariffs on several products. While import duty on walnut is to be hiked to 120 per cent from 30 per cent, duty on chickpeas, Bengal gram (chana) and masur dal will be hiked to 70 per cent from 30 per cent. Levy on lentils will be hiked to 40 per cent from 30 per cent.

Other products which would attract higher duties include boric acid, phosphoric acid, diagnostic reagent, flat rolled products of iron, certain flat rolled products of stainless steel. The duty hike move by India was in retaliation to US President Donald Trump's March 9 decision to impose heavy tariffs on imported steel and aluminium items.

Senior officials of India and the US are in discussions to finalise a kind of trade deal. Both the sides holding two track discussions -- to increase trade in short and medium term, and identify long term trade potentials.

India is pressing for exemption from high duty imposed by the US on certain steel and aluminium products, resumption of export benefits to certain domestic products under their generalised system of preferences (GSP), greater market access for its products from sectors, including agriculture, automobile, auto components and engineering. As many as 3,500 Indian products from sectors such as chemicals and engineering get duty-free access to the US market under the GSP, introduced in 1976.

On the other hand, the US is demanding greater market access for its farm and manufacturing products, including medical devices. India's exports to the US in 2017-18 stood at USD 47.9 billion, while imports were USD 26.7 billion. The trade balance is in favour of India.

Meanwhile, the US on Thursday ended duty-free concessions on import of about 50 Indian products, mostly from handloom and agriculture sectors. These goods were so far availing duty-free access to the US market under the Generalized System of Preferences (GSP).

In April, the US announced eligibility review of India for the GSP. According to the USTR, the total US imports under GSP in 2017 was USD 21.2 billion, of which India was the biggest beneficiary with USD 5.6 billion, followed by Thailand (USD 4.2 billion) and Brazil (USD 2.5 billion).

Out of USD 5.6 billion, these 50 products accounted for USD 72.35 million worth of duty free exports to the US in 2017.

Some of the Indian products removed from the provisions include dried pigeon pea seed; areca nuts, fresh or dried, in shell; mangoes, prepared or preserved by vinegar or acetic acid; and sandstone, merely cut into blocks or slabs of a rectangular (including square) shape.

Source: thehindubusinessline.com- Nov 02, 2018

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Trade wars: US scraps GSP sops, India still defers counter-move

India has decided to defer its plan for a third time to retaliate against extra US duty on its steel and aluminium, even as the Trump administration on Thursday withdrew the benefit of concessional tariffs under its so-called generalised system of preference (GSP) for 50 Indian goods.

The imposition of extra tariff worth $235 million by India on 29 American goods will be delayed by 45 days from the November 2 deadline as India hopes to clinch a mutually-acceptable trade package from the ongoing negotiations, an official source told FE.

50
Indian products to be hit by US move to drop 94 items from GSP benefit list

$72.4 m
Exports of the 50 items to US in 2017

New Delhi takes heart from the fact that it still remains the biggest beneficiary of tariff concessions under GSP and that the US' was not a country-specific move rather a product-specific one (as many as 94 items were dropped from the GSP list, impacting a number of nations).

The 50 now-ineligible items accounted for exports of only $72.4 million to the largest economy in 2017. Nevertheless, the move signals the Trump administration's toughening stance in trade negotiations with India.

The source said India still remained the largest beneficiary of the GSP regime and the move was part of the usual tweaking it does once supplies of certain products to the US cross stipulated thresholds.

The products that are now ineligible for tariff concession accounted for less than 2% of the country's exports worth $5.58 billion to the US under the GSP regime and only a tiny fraction of India's total goods exports of $45.2 billion in 2017.

Still, since the 50 products include textiles, chemicals, dairy, leather, musical instruments, dried pigeon pea, processed fruit and vegetable, mango, carpets and musical instruments, the withdrawal of tariff benefits could hit some small and medium enterprises.

As part of the trade package, for which talks are on, while India wants an exemption from the additional duty on its steel and aluminium, the US is also seeking to use GSP benefits it offers to India and some others to extract greater market access from New Delhi and reduce a trade imbalance.

For India, greater access to the American market in food, farm, engineering goods, auto and auto parts segments hold promise in the long term (over five years). The US sees good prospects for its companies in Indian civil aviation, oil and gas, education service and agriculture segments.

It is particularly interested in India removing price cap on bioresorbable stents. India is a large market for stent makers and it imported medical instruments, including stents, worth around $1.6 billion from the US in the last fiscal, up 10% from a year earlier.

The GSP, the largest and oldest US trade preference programme, is designed to promote economic development by allowing duty-free entry for thousands of products from designated beneficiary countries.

Some of the items from other countries like Argentina, Brazil, Thailand, Suriname, Pakistan, Turkey, the Philippines, Ecuador and Indonesia have also been dropped from the GSP list.

The United States Trade Representative (USTR) in April announced that it is reviewing the GSP eligibility of India, along with Indonesia and Kazakhstan. According to the USTR, the total US imports under GSP in 2017 was $21.2 billion. India was the largest beneficiary, followed by Thailand ($4.2 billion) and Brazil ($2.5 billion). The programme has now been renewed through December 31, 2020.

Indian industry bodies like Ficci had submitted to the USTR that the termination of the GSP benefits would be contrary to the legislative objective and the history of the Trade Reform Act of 1974 of furthering the economic development of developing countries.

However, it’s still unclear if withdrawal of the GSP benefit, which is the discretion of the US, can be successfully challenged at the World Trade Organization. But some analysts said India had challenged a similar rollback of a programme by the EU earlier.

Source: financialexpress.com- Nov 02, 2018

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Ports 'played a role' in upping Ease of Doing Business rank

The port sector has played a significant role in improving India's ranking in 'Ease of Doing Business' index, according to MT Krishna Babu, Chairman of New Mangalore Port Trust (NMPT).

Speaking at the valedictory of the 'Vigilance Awareness Week' celebrations at New Mangalore Port on Friday, he said 'trading across borders' is one of the key components ofi the 'Ease of Doing Business' index, and the ranking in this segment has improved from 140 to 78 in a year.

"That shows our (port sector's) contribution also," he said, adding that ports and airports play a major role in trading across the border.

Referring to NMPT's decision to stop the practice of 'notional booking' and 'speed money' paid to the dock workers, he said the decision has helped gain the confidence of stakeholders of the port.

(Krishna Babu, on assuming charge in July, topped these practices from August 1, saying they were impacting the port by ₹40-50 a tonne compared to any neighbouring port.)

He said that labour unions also have understood that they have to change. He said many industrial units in Hassan district were moving to other ports, though it was closer to NMPT, citing these practices.

With the port, thanks to the cooperation of the unions, taking these steps, exporters are regaining confidence in the port, and thinking of trying NMPT as their gateway, he said.

K Umamaheshwara Rao, Director of National Institute of Technology Karnataka (NITK), Mangaluru, delivered a special lecture on the occasion.

Source: thehindubusinessline.com- Nov 02, 2018

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10 handicraft parks being planned to provide infra support to small exporters

SMEs to benefit from common facility centres, testing labs

With small exporters of handicrafts finding it difficult to meet the stringent international standards of manufacturing in most developed-country markets, the Export Promotion Council for Handicrafts (EPCH) plans to bring such units together in handicraft parks to be set up across the country, with common facility centres (CFCs), testing labs and raw material banks.

"We are planning to set up about 10 handicraft parks throughout the country. The first such park is coming up on the Yamuna Expressway," Rakesh Kumar, Executive Director, EPCH, told BusinessLine.

The CFCs will serve as a training/skill development facility as well as a manufacturing hub for the handicraft exporters, who will be provided with the latest machinery required for augmenting production and exports, Kumar said.

The testing labs shall serve the purpose of testing products for meeting international standards and the raw material bank shall ensure steady supply of inputs thereby decreasing the lead time to delivery to the exporters.

"The facilities in the parks will be especially significant for small exporters as they often operate from very small set-ups and do not have access to the infrastructure that is required to meet the standards of buyers in markets such as the EU, the US or Japan," Kumar added.

The park on the Yamuna Expressway could also be the answer to the woes of the small & medium enterprise (SMEs) in Delhi facing a sealing drive carried out by the municipal corporations. "This handicrafts park would offer an alternative to SMEs to set up their units in the proposed park thereby facilitating uninterrupted, social and environmentally compliant production," Kumar said.

While the handicraft park on the Yamuna Expressway will house about 300-400 units spread over 200 acres, some parks that are being planned could be much smaller depending on the place, he said.

India's handicrafts exports declined 1.8 per cent to $3.57 billion in 2017-18, while overall exports from the country posted an increase of 9.8 per cent to $302 billion.

Source: thehindubusinessline.com- Nov 02, 2018

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Arvind Smart Spaces posts Q2 net profit of Rs 2 cr

Arvind group's realty firm Arvind SmartSpaces reported a consolidated profit of Rs 2 crore for the quarter ended September.

Its profit stood at Rs 5 crore in the year-ago period, the Ahmedabad-based company said in a statement.

Revenue stood at Rs 45 crore for the second quarter of this fiscal as against Rs 32 crore during the same period of the last financial year.

The company has adopted IND AS 115 with effect from April 1, 2018 and has opted for the modified retrospective approach. The financials of the prior reporting periods have not been restated and hence, Q2 FY19 numbers are not comparable with previous reporting periods, it said.

Kamal Singal, the company's MD and CEO, said: "Arvind SmartSpaces continues to maintain its performance, quarter on quarter basis since last 4 years of its listing and expects to maintain the growth momentum."

The company has already delivered seven projects of around 2.8 million sq ft and has another seven projects totalling 7 million sq ft under various stages of development which would be completed over the next 3-4 years.

"We have recently added two new projects (one each at Bangalore & Pune) and are continuously looking at further strengthening of our project pipeline during the remaining months of the current financial year," he said.

Source: moneycontrol.com- Nov 02, 2018

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