TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL
TEXPROCIL NEWS CLIPPINGS
An ISO 9001:2015 CERTIFIED COMPANY
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. 70 of 2019 April 04, 2019

USD 68.77| EUR 77.32 | GBP 90.59 | JPY 0.62

Cotton Market		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21914	45800	**85.04**
Domestic Futures Price (Ex. Warehouse Rajkot), April		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21900	45771	**84.99**
International Futures Price		
NY ICE USD Cents/lb (May 2019)	77.05	
ZCE Cotton: Yuan/MT (May 2019)	15,145	
ZCE Cotton: USD Cents/lb	102.36	
Cotlook A Index – Physical	**86.90**	

Cotton Guide: The ICE cotton futures were carried back to high levels by the bulls yesterday but their strength was subdued later in the day as the bears dragged the prices towards the low figures.

The ICE May contract once again could not breach 78 cents/lb. While we write this report we see candlesticks emanating mixed colors of green and red showing indecisiveness in the markets still. However, despite of reaching 77.93 cents/lb the bulls were not allowed to bring the prices to touch the psychological levels of 78 cent/lb with a +7 point increase.

The change noted for the ICE May contract was -22 points. The July contract also on the other hand emanated a change of a figure in the twenty's i.e. -26 points with a settlement figure of 77.77 cents/lb. The bulls could be seen fighting back at the end of the trading session but could not thrust the prices to positive grounds.

The Total volumes seen at ICE was 34,676 contracts as compared to the previous total of 37,413 contracts which amounts to a decline of -2737 contracts. The Total Open Interest increased by 2,598 contracts to 230,518 contracts.

The July and December OI increased by 1521 and 3302 contracts to 66,854 and 68,529 contracts respectively. Certified Stocks were last reported to be 34,569 Bales.

The MCX contracts on the other hand settled positive at 21900 Rs/Candy, 22,190 Rs/Candy, 22,450 Rs/Candy with positive changes of +160, +160 and +150 Rs, for the April, May and June contracts respectively.

The total volumes were seen at 5670 lots as compared to the previous figure of 5392 lots. The Open interest also saw a rise to 19,298 lots as compared to the previous figure of 18,878 lots.

The Prices of Shankar 6 have taken a strong stand to head north. The Prices of Shankar 6 with the parameters as Fine Grade, 29mm, G5 Micronaire, 28 GPT has now increased to 45,800 Rs/Candy. The cotlook Index A has been unadjusted at 86.90 cents/lb. The arrival figures are pegged at 85,500 lint equivalent bales (source cotlook) including 38,000 registered in Maharashtra and 20,000 in Gujarat. WTI Crude is still above the 62 $/Barrel level.

On the technical front, ICE Cotton futures witnessed strong rebound after holding the support at 13 day EMA at 76.60 levels. As shown in the charts price continued to move in the upward sloping channel, however during the previous week prices have touched the upper band of the channel & have retraced back.

The firmness in cotton futures also supported by positive crossover of Exponential moving average of 13 & 26. The momentum indicator RSI is at the level of 59, indicating firmness in the strand.

The next support for the prices is at 75.95 & the resistance 78.35, close above the channel would initiate the intermediate bullish trend. From the above analysis, we expect ICE Cotton to trade in the range of 78.50-75.90 for the rest of the week with sideways to positive bias. In the domestic market April futures is expected to trade in the range of 21750-22050.

Currency Guide

Indian rupee may trade with a firmer bias against the US dollar however further gains may be limited. Indian rupee has appreciated sharply in last few sessions supported by general strength in domestic and global equity market. Domestic equity markets have benefitted from investor inflows, expectations of RBI's rate cut and increased expectations that ruling BJP government may win another tenure in upcoming elections.

Global equity markets have steadied amid some better than expected economic data and as talks continue between US-China. White House economic adviser Larry Kudlow said that trade talks made good headway and the two sides aim to bridge differences during talks that could extend beyond three days this week. Meanwhile, Bloomberg reported that US is planning to give China until 2025 to meet its trade commitments.

Concerns about Brexit eased to some extent as leaders passed a bill to avoid a no-deal Brexit scenario. The US dollar index shed some of its recent gains amid mixed US economic data and easing worries about US-China trade conflict. Rupee's rally however remains challenged by higher crude oil price, disappointing economic data and downbeat monsoon forecast. Brent crude has come off recent highs but continues to trade near $69 per barrel amid supply concerns and firmness in US equity market.

Skymet, a private weather forecasting agency, said on Wednesday that monsoon rains may be "below normal" this year at 93% of the long period average. Rupee's has been strengthening for last few days but further cues will come from RBI decision today. RBI is expected to cut interest rate by 0.25% to 6% and this has been factored in.

Some market players are expecting RBI to hint towards further rate cuts and such a move could give further push to domestic equity market and thereby rupee. USDINR may trade in a range of 68.2-68.85 and bias may be on the downside.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

China to cut tax rates for inbound baggage, postal articles

The State Council, China's cabinet, will cut the tariff rates for baggage brought by individuals and articles mailed into the country starting April 9 to expand imports and consumption.

The tax rate on products including food and medicine will be lowered from 15 percent to 13 percent, according to a statement released after a State Council executive meeting presided over by Premier Li Keqiang.

The rate for commodities including textiles and electric appliances will be cut from 25 percent to 20 percent, the statement said.

Source: xinhuanet.com- Apr 03, 2019

HOME

****

Brazilian cotton prices stable as trading slows in March

The trading pace was slow in the Brazilian cotton market in March. The CEPEA/ESALQ cotton Index, with payment in 8 days, remained stable (+0.1 per cent) between February 28 and March 29, closing at 2.9346 BRL per pound on March 29. The average price for the month, at 2.9262 BRL per pound, was a slight 0.27 per cent lower than that from February 2019.

“Some processing plants had low interest in new purchases in the spot market, while others stayed away from the market. The active processing plants were searching for high quality cotton, but bidding prices were lower than asking prices for this kind of cotton,” the Center for Advanced Studies on Applied Economics (CEPEA) said in its latest report on Brazilian cotton market.

Brazilian cotton growers have already sold a large volume of the 2017-18 crop. On the other hand, some traders needed cotton to accomplish contracts or replenish inventories. In this scenario, only a few deals for prompt delivery were closed, showing an occasional flexibility of purchasers regarding quality and/or of sellers concerning prices, mainly for lower quality cotton, the report said.

Source: fibre2fashion.com- Apr 03, 2019

HOME

****

Sri Lanka to review Singapore FTA next month

The Sri Lankan government is to review its Free Trade Agreement with Singapore next month, the International Trade Secretary said today.

Development Strategies and International Trade Minister Malik Samarawickrama reportedly told the Daily Mirror that a review process would begin in May though the FTA was currently in force.

In January, Sri Lanka's president Maithripala Sirisena told the Singaporean prime minister, Lee Hsien Loong to "expect amendments" to the FTA, explaining that "a few mistakes had been made by Sri Lanka when drafting the FTA."

In December, Sirisena said the FTA had been signed "without adequate consent", pointing to the findings of his expert committee. The committee was appointed by the president in August following a Joint Opposition protest against the FTA, who claim it was 'illegal'.

Sirisena's comments will do little to reassure investors, already nervous amid the country's ongoing political crisis. Following the committee's appointment, Australia had warned against pulling out of the FTA. "Can you roll back an FTA? The damage to Sri Lanka's reputation would be so bad in international arena," Elizabeth Ward, an official with Australia's Department of Foreign Affairs and Trade said in September.

Objecting to the FTA, the then Joint Opposition MP Bandula Gunawardene said, "the government has claimed that a gazette notification containing a list of items for which tax and duty will be removed was issued, but such a document cannot be found. Therefore the FTA is illegal."

"The items that are to be free of taxes under the FTA include animal sperm, elephants, tusks, fish species which are banned from being used as trade items, urethras and artifacts," he said. "In short the bio diversity of our country has been handed over to Singapore."

Colombo professionals had also warned against the signing of the FTA, citing insufficient legal framework for the pact.

Source: tamilguardian.com- Apr 03, 2019

HOME

****

UK exports to India rising fastest among non-EU partners

The demand for UK goods and services is growing across the globe, with exports to India increasing at the fastest rate among the United Kingdom's top non-European Union (EU) trading partners, according to data released recently by the UK Office of National Statistics (ONS). UK exports, which increased by 2.7 per cent to £634.1 billion in 2018, continue to rise.

UK exports grew faster to India (up 19.3 per cent), Japan (up 7.9 per cent), China (up 4.6 per cent) and Canada (up 4.2 per cent) than to the EU (up 3.6 per cent) in 2018, according to an ONS press release.

Share of UK exports to the EU over the past ten years has declined by nearly 5 percentage points to 45.6 per cent last year. The export of goods and services to non-EU trading partners in 2018 reached a high of £345.1 billion.

The figures show the share of exports to the United Kingdom's top three non-EU trading partners—the United States, China and Switzerland—increasing from 21.3 per cent in 2000 to 25.4 per cent in 2018.

In contrast, the share of UK exports to the EU has decreased significantly from 54 per cent to 45.6 per cent over the same period.

The data also highlights the attractiveness of the United Kingdom as a destination for foreign investment as inwards stock has increased by 12.6 per cent to a record high of £1,336.5 billion in 2017. The United States is the top investor, with its investment stock increasing by 19.5 per cent to £351 billion.

There has also been a growing demand from Asian investors in the United Kingdom, with inwards investment stock increasing by 201 per cent since 2008, the highest growth rate of any continent. The share of inwards stock from Asia has increased from 6.8 per cent to 9.6 per cent between 2008 and 2017.

Source: fibre2fashion.com- Apr 04, 2019

HOME

****

S. Korea to resume talks with Indonesia on FTA

South Korea will hold its first negotiations with Indonesia in five years to forge a bilateral free trade deal later this month, an official familiar with the issue said Thursday.

The three-day session -- set to begin in Seoul on April 30 -- marks the resumption of the talks between the two countries, the official said. He asked not to be identified because an official announcement has not yet been made.

The two sides held their last negotiations in February 2014, about two years after engaging in talks on a free trade agreement (FTA), better known as the Comprehensive Economic Partnership Agreement.

Trade volume between South Korea and Indonesia stood at $20 billion in 2018, up from $17.9 billion in 2017, according to the South Korean government data.

South Korea also plans to conclude a joint study with Malaysia on a separate FTA by the end of this month, said another official handling the issue. The South Korean government is set to report the joint study to parliament and hold a public hearing on the issue -- a domestic procedure before launching negotiations with Malaysia, the official said.

"We plan to quickly begin negotiations with Malaysia on a free trade pact," the official said, without providing a specific time frame.

South Korea has sought stronger economic ties with Southeast Asian countries to reduce its heavy reliance on large markets like the United States and China, and to foster new growth drivers.

South Korea has clinched a series of free trade agreements with major trading partners, including the U.S. and China, as well as Chile, Peru, Colombia and the Association of Southeast Asian Nations (ASEAN), in recent years as part of its efforts to boost growth in the country's export-driven economy.

ASEAN comprises Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Thailand, Singapore and Vietnam.

Source: en.yna.co.kr- Apr 04, 2019

HOME

****

This Denim Mill is Now One of Five Companies in South Asia With LEED Platinum Certification

Pakistan's Artistic Milliners' Eco-Tech Unit has received LEED Platinum certification by the U.S. Green Building Council.

The LEED (Leadership in Energy and Environmental Design) plaque on a building is a mark of quality and efficiency in green building. LEED Platinum is a step up from the Pakistan's first LEED Gold building that Artistic Milliners established in 2014. The Eco-Tech unit has a daily production capacity of 25,000 garments and employs nearly 3,000 people.

The latest version of the Green Building Council LEED certification–LEED v4 BD+C–is more advanced and transparent compared to previous versions. Artistic Milliners is now one of the five companies in the South Asia Region to be certified for this standard.

According to the Green Building Council, LEED v4.1 includes updated referenced standards and allows projects to earn LEED points through building performance monitoring. The BD+C has particular evaluations for building design and construction.

LEED Platinum scores companies against 58 specific checkpoints on energy, water, innovation and environmental quality. Artistic Milliners said it has scored the highest points ever to be achieved by any company in Pakistan.

This was thanks to the building incorporating innovative measures to reduce carbon emissions, save energy, improve water efficiency, reduce waste and create healthy living and working environments compared to conventional buildings.

Water remains at the top of the company's sustainability agenda. The company has achieved a 50 percent reduction in water. Apparel produced at the Eco-Tech Unit are washed in the specially designed "Smart Laundry," with washing machines and dryers that have energy and water saving features. The building also has 98 percent rainwater harvesting.

A 62 percent reduction in energy use has come from the use of solar panels, waste-heat recovery boilers and efficient lighting and machinery.

Artistic Milliners Eco-Tech factory also has a biological wastewater treatment plant that eradicates the hazard of chemical sludge at the source. The facility also recycles 85 percent of its water, equaling a savings of 297,500 gallons of water per day. The company has set ambitious target of Zero Liquid Discharge across all its mills and laundries by 2025.

From the social perspective, the factory has a modern daycare center for workers to bring their children to work. The center was established in consultancy with Catco Kids, a firm that is accredited by U.S. Department of Youth and Family Services and Department of Education.

The vertically integrated Artistic Milliners, based in Karachi, spins about 5.3 million pounds of yarn and producing 5.5 million meters of denim fabric per month. The company also has a capacity of 1.8 million garments per month using advanced automated machines.

Source: sourcingjournal.com- April 03, 2019

HOME

****

Brazil's apparel, textile sector holds roadshows in Mexico

Brazil is promoting its apparel and textile industry in Mexico through a series of roadshows. Executives from Brazilian companies like Dohler, Scanone, Ober, Suominen and Fibertex are meeting companies in the cities of León, Aguascalientes, Guadalajara, Puebla, Monterrei and Mexico City.

The trade mission is aimed at companies in the technical fabrics and nonwoven fabrics segments. Mexico happens to be a market with lots of potential since there are very developed technical fabric and nonwoven fabric industries, such as footwear, civil construction, automobiles and more.

The roadshow is being held from April 1 to 4, 2019 and being organized by Texbrasil (Brazilian Textile and Fashion Industry Internationalization Program), a partnership between the Brazilian Trade and Investment Promotion Agency and the Brazilian Textile and Apparel Industry Association.

Brazil's apparel market is expanding at a substantial CAGR. Brazil is one of the largest exporters of apparel and fashionable goods. Arab countries are some of the largest importers of apparels and textiles from Brazil. The United Arab Emirates accounts for the highest imports from Brazil, followed by Egypt, Algeria, and Morocco.

Advanced techniques used in manufacturing helps manufacturers meet the demand from various countries. With the recovering economy, the apparel industry is expected to rebound over the coming years.

Source: fashionatingworld.com- April 03, 2019

HOME

****

US-China trade war offers opportunities for Philippines

The Philippines stands to gain from an escalating China-US trade war, with the possible redirection of trade favoring Southeast Asian economies.

Asian Development Bank (ADB) statistician, Manhinthan Joseph Mariasingham said during the development forum "Global Economic Environment: A Symposium on the Global Economy and What It Means for the Philippines" that negative effects of the US-China trade war can be offset by the potential redirection of trade, benefiting the Philippines in the medium to long term.

"Philippine manufacturing could see a boost of 0.2-0.7%, primarily in electronics…[assuming] the Philippine economy is able to attract more trade from tariff-affected economies," he said.

He said Malaysia, Vietnam and Taiwan are well-positioned to absorb excess demand.

“[These] countries have infrastructure to absorb the excess demand that would arise as result of tariffs [imposed in China]… mainly in the electronics sector,” Mr. Mariasingham said.

Meanwhile, he said that although the US-China trade war has very little impact on the Philippines’ trade in commodities, “services will be affected negatively because the sector is highly dependent on economic performance of other countries, especially those highly linked to globalization or global value chains (GVCs).”

Mr. Mariasingham noted that even without the US-China trade conflict, companies will move out of China because it is losing its competitive advantage as a major manufacturing hub for GVCs.

Kristy Tsun-Tzu Hsu, Director at the Chung-Hua Institute for Economic Research (CIER), concurred, and expects the US-China trade conflict to continue to escalate.

“Taiwanese companies with customers in the US (operating in China) will look for other countries to operate in,” she said during the same forum, organized by the Philippine Institute for Development Studies (PIDS).

In its survey of listed companies on the Taiwan stock exchange in December, CIER found that more than 60% of the companies which have operations in China will or are already planning to invest in other countries, 40% are considering investing back in Taiwan while 65% will consider other destinations in Southeast Asia.

“Most Taiwanese companies believe that the US-China rivalry and trade conflicts will escalate in the future, no matter whether US and China will reach a trade deal or not. China’s changing environment also makes it less competitive for export-oriented operations in central industrial sectors,” she said.

“The relocation of manufacturing operations may lead to the decentralization of China-centered supply chains, and the [emergence] of new ‘Asian Factories,’” she added.

"In particular, some Taiwan electronic, footwear and textile companies have already expressed their interest in setting up shop in the Philippines," she said.

CIER's Ms. Hsu said the the Philippines is one of the six priority countries Taiwan will partner with under its New Southbound Policy — a foreign investment policy adopted in 2016.

"Taiwan and Philippines have built closer business and people-to-people ties in the past few years. The two should work together to make the most of the current changing international economic environment and promote supply chain collaboration," she said.

Currently, the Philippines has a unique relationship with Taiwan, Ms. Hsu said, as "Philippine workers have become the most important workforce in Taiwan's technology industry," she said.

Meanwhile, trade protectionism seem to be on the rise globally, not only between US and China.

The Foreign Service Institute's (FSI) foreign affairs research specialist Jovito Jose P. Katigbak said at the forum: "Asia is [gearing] towards liberalization while countries on the other side of the globe are becoming protectionist, bringing jobs back to their countries and restraining future trade agreements."

Mr. Katigbak said that free trade agreements (FTAs) are becoming the "new normal" as negotiations under the World Trade Organization are "deadlocked."

With the rise in protectionism among developed economies as well as the trade disruptions brought by the US-China conflict, Mr. Katigbak said that the Philippines stands to gain in the Regional Comprehensive Economic Partnership (RCEP).

"The RCEP has an overall positive impact on the country within the period 2017-2023, [particularly in] major industries such as construction, transport and machinery equipment, and services," he said.

Meanwhile, “rice and textile industries will experience contraction during the 10-year period,” he added.

Source: bworldonline.com- April 03, 2019

HOME

****

Pakistan: Cotton production falls

The country produced 10.772 million bales up to April 1 recording a shortfall of 6.90 per cent over the corresponding period last year, according to the figures released by the Pakistan Cotton Ginners Association (PCGA) on Wednesday.

Punjab recorded a fall of 9.50pc to 6.622m bales as against 7.317m bales produced in the same period last year. Sindh too witnessed a fall of 2.45pc to 4.149m bales compared to 4.263m bales. Ginners are currently holding 809,195 unsold cotton stocks compared to 486,963 bales held in the same period last year.

The textile spinning industry purchased less cotton during the period under review at 9.963m bales as against 11.084m bales last year while exporters also booked smaller quantity of cotton at 102,330 bales as against 216,615 bales in the last season.

Stakeholders say the government needs to come up with an incentives package urgently for motivating growers to shift back to cotton crop by fixing indicative price for phutti (seed cotton).

For the last six years cotton crop has been a victim of neglect on part of successive governments particularly when cultivation area of the crop rapidly shifted to sugarcane farming.

Cotton growers have been using uncertified seed and poor quality pesticides which eventually led to reduced per acre yield. The huge import bill which has swelled over $1.2 billion could only be reduced once domestic cotton production has increased, cotton analyst Naseem Usman said.

Source: dawn.com- April 04, 2019

HOME

****

Pakistan: Razak optimistic about getting much better FTA from China

Pakistan will get a much better Free Trade Agreement (FTA) from China on April 9, claimed Adviser to the Prime Minister on Commerce, Textile and Industry Abdul Razak Dawood.

"Pakistan is going to sign a much better-negotiated FTA with China as trade balance had already been greatly in favour of China," said Dawood while addressing a Pre-Budget Consultation and launching ceremony of a book titled "Growth and Inequality in Pakistan" authored by former Finance Minister Hafiz Pasha here on Tuesday.

The advisor said that FTA with China was negotiated in a very badly manner. "Now Phase-II is coming and luckily we have an opportunity to correct some of the errors that were there in the previous FTA," he added.

Dawood said that Pakistan did not get yet the same market access like Association of Southeast Asian Nations (Asean) countries have. Now China has agreed to allow market access on the same pattern, which was denied in November last year. "I don't blame Chinese alone, but mistake was on our part as well, as agreement was not negotiated in a proper way," he added.

The advisor further said that Pakistan will have duty free access to Indonesia on twenty items. Dawood said industry and trade policies are being improved.

He said financing will be arranged for industries, instead of offering them subsidies. He further said, "Pakistan has asked for sharing information on trade figures and now we will have exact data." Trade balance is in their favour and trade deficit mainly comes from China, he added.

He said that the government will not provide any subsidies to the industries, but to help arrange funding for upgrading the industries on technology front.

He blamed the previous governments for promoting imports that led to the decline of local industries.

Shandana Khan, Parliamentary Secretary of Commerce and Textile expressed confidence that the system would change in 2-3 years, at the same time highlighted the issues faced by the federal and provincial governments and the remedy she proposed was higher coordination among institutions for enhanced effective and timely decisions.

Sartaj Aziz, Former Deputy Chairman Planning Commission, said the most important objective of the incumbent government should be to maintain the growth momentum.

He urged the government to focus on agriculture sector, where rapid and quick growth with low investments can be achieved. He said the government should avoid cutting the funding for Public Sector Development Programme (PSDP), otherwise it will harm the economy in the long-run. He further said, "If we get into political point-scoring then we won't be able to solve issues of economy." Aziz said that there is revenue shortfall in the first 9 months.

Source: fp.brecorder.com - April 03, 2019

HOME

****

Pakistan: Govt approves Rs46.200m for project in textile

Planning Commission has approved funds amounting to Rs.46.200 million for a project titled “1,000 Industrial Stitching Units” to promote the public-private partnership to boost the value addition in the field of textile garments.

Through the projects, the textile division would also establishing industrial stitching units through strengthening small and medium entrepreneurs, said a statement issued by Press Information Department (PID) here on Tuesday.

60% funding for the machinery will be provided from PSDP and 40% would be borne by the beneficiary of the stitching units.

Accordingly, textile division has signed MoU with SMEDA for execution of the project on 29th March 2019. Now the project would become functional as the main hurdle has been removed.

The project will be implemented all over the country including AJK and GB.

The purpose of the project is not only to enhance exports of textile sector but also provide business/ self-employment opportunity for the garment manufacturers especially for youth at their doorstep in line with the vision of the present government.

National Textile University will impart six weeks entrepreneurship training to the successful applicants.

The project remained dormant since 2015.

1st Phase of the project for Establishment of 150 Industrial Stitching Units (ISU) was approved by CDWP on 15th January 2018 at a total cost of Rs.350.545 million.

However, no allocation from PSDP was made during the current financial year 2018-19.

After taking over the charge, the Adviser to the Prime Minister on Commerce and Textile has taken serious notice on extraordinary delay of the project.

Under the guidance of the Adviser, Planning Commission was requested to allocate appropriate funds for the project during the CFY 2018-19.

Source: nation.com.pk- April 03, 2019

HOME

****

NATIONAL NEWS

Exports in March to reach $32.38 billion : Prabhu

India's exports are expected to reach $32.38 billion in March, the highest in any month so far, on account of healthy growth in sectors such as pharmaceuticals, Commerce and Industry Minister Suresh Prabhu said on Wednesday.

He said exports will cross the $331-billion mark in the year 2018-19.

He said for the "first time", India has crossed $19- billion mark in pharma exports this fiscal.

The Commerce Ministry will release the trade data on April 15.

Prabhu said the country's exports were declining for a long time, but now "this year, we would have record exports". The figures in 2018-19 will be the highest ever at a time when there is a worst scenario in the world trade front, he said.

Outbound shipments are growing because of concerted efforts by the Ministry in the last one year, the Minister said.

"We created a matrix between every product and every geography. Secondly, we had done series of road shows," Prabhu said adding export potential was tapped in regions such as Africa and Latin America.

The Ministry also held several meetings with the line ministries, including food, agri, pharma and IT Ministry, to resolve issues hindering exports.

India's exports grew 8.85 per cent to $298.47 billion during April-February 2018-19.

US trade issues

Meanwhile, the Commerce Ministry, after consulting various departments like IT and agriculture, has made an offer to the US to resolve trade issues between the two countries, Prabhu said.

The US is demanding greater market access for its agricultural, dairy products and medical devices. Besides, it is seeking reduction in import duties on certain IT products and increasing their exports to bridge trade deficit with India.

"We have consulted all the ministries and we have given them an offer," the Minister said.

Source: thehindubusinessline.com- Apr 03, 2019

HOME

****

'For the first time, India's trade deficit with China has shrunk': Suresh Prabhu

The power derived and given by Parliament to the government is being used through the Reserve Bank of India (RBI) but it essentially follows from the insolvency code.

Union commerce & industry and civil aviation minister Suresh Prabhu spoke to Shishir Gupta and Rajeev Jayaswal about trade, privitisation of Air India, ease of doing business, among other issues. Edited excerpts:

The RBI insolvency circular of February 12 has been made invalid. What is your take on it?

The power derived and given by Parliament to the government is being used through the Reserve Bank of India (RBI) but it essentially follows from the insolvency code. If you take all G20 economies, India did not have a code like this. As a result, the biggest sufferers were the promoters, bankers, and the recycling of capital never happened because it was stuck in one particular place.

Employees were suffering because they could never come out of it and therefore the insolvency code was necessary and it actually solved the problems. In the absence of the insolvency code, the economy will slow down because the capital which could be used for something else will be put into the non-performing assets (NPAs). I have not read the Supreme Court judgment - I don't know exactly why the court termed it invalid.

The judgment said that without the concurrence of the Centre, RBI cannot direct banks to take action against companies after 180 days of notice.

It must be a technical point, the law ministry and finance ministry will look into it. I am talking about the broad philosophy. There's a classic example so we understand it better: The backbone of India's manufacturing sector was the textile industry. The biggest textile centre of India was Mumbai, besides Ahmedabad and Kanpur to some extent. All textile mills have closed down. Why? Because they were stuck, they were not mordernised, they could not recycle the capital. We respect the SC judgment and we will respond to it in a proper manner.

India has jumped in the ease of doing business rankings to 77. What is the biggest contributor?

We did a lot of baseline studies. The World Bank has a well laid down procedure to what leads to ease of doing business. There were measures necessary which were legislative in nature. In fact, the insolvency code is one of the measures for ease of doing business. Frankly, and I'm not making a political statement, it was the prime Minister who personally took interest, he got all the ministries together, he chaired a few meeting to make it happen. He provided the leadership.

We decided to do something completely different and that work has already started. We are working on ease of doing business for every district . So, if ease of doing business increases in all the districts of India, it will really bring change. While we do it on a pan-India level, we are trying to work on grassroots level.

Do you think you can break into the top-50 next year?

Allow me to deviate a little. We talk about the GDP crossing the barrier into double digits. We have started working on it. We took six districts in five states – Muzaffarpur in Bihar, Sindhudurg-Ratnagiri in Maharashtra, Varanasi in Uttar Pradesh, we have taken Vishakhapattinam, and in one hilly district of Solan in Himachal Pradesh. We did a complete analysis - what is the contribution of that district to GDP, and can we make the district from the baseline to 4-5% more. Why are we doing this? If each district of India grows at 3-4% more than the normal growth, as an aggregate of all districts India's growth will automatically be 3-4 % more.

President Donald Trump has withdrawn general trade preferences. What is the current state of India-US trade?

India and US have good trade relations. We have a trade surplus with the US. While working on the trade deficit issue, they came across the issue of medical equipment and devices. The Indian government launched a major programme of giving concessional medical treatment to people. Before Ayushman Bharat, there was Jan Aushadhi and there was a pricing cap on things like stents. As a result, medical device firms in the US went to its commerce department saying this is an unfair trade practice.

There is another issue - the dairy industry wants to export to India but we have some issues, because it has got to do with the religious sensibilities. And we made an informed choice that milk may have residue in it which may affect religious sentiments. The third issue is the export of certain agricultural products to India such as strawberries, almonds etc. We prepared a package for the US for their consideration. We have given a package which they say they’re examining. Our government is working towards addressing US concerns. The US must appreciate India’s concerns.

The other side is the trade deficit with China, which is at $63bn. Are you looking to address this?

For the first time, the trade deficit with China has gone down. In March 2018, soon after I became the commerce minister, I invited China’s senior-most political leader, one of the top five, he’s the commerce minister also. I told him we would like to balance the trade with China, not only reduce the trade deficit. So we are working on the strategy. This year, we exported rice for the first time in 20 years.

We exported rapeseed, we are negotiating on soyabean, sugar and pharmaceuticals. We are going to make a concrete proposal as to how to balance trade, increasing export to China, bringing more of manufacturing of China’s products in India, so automatically that would mean India’s share of manufacturing will increase, job creation will happen, and imports from China will go down. We are changing our engagement with China on the economic level.

What are your plans to disinvestment of Air India. Is reasonable to presume it can be privatised in the coming months?

First time AI was attempted to be privatised, it was our government. We did everything possible. We ran the process transparently. Unfortunately, when the bids were to be submitted, oil prices shot up. But the intention was clear. We are also trying to professionalise the management of AI and it should be a board-run company and not the government of India.

Are you coming up with a new industrial policy?

That policy is ready. It could not be cleared by Cabinet because of last-minute rush. This will be helpful for the new industry. We are reviewing all the regulations which could come up in the way.

What's the status of the e-commerce policy?

The e-commerce draft policy is already in the public domain. Let all comments come in, somebody will benefit, somebody will not. We don't want to take sides. We will not make the policy final unless we are satisfied all issues are addressed.

Source: hindustantimes.com- Apr 04, 2019

HOME

****

ADB sees India's GDP growth at 7.2% in 2019-20

The Asian Development Bank has projected gross domestic product (GDP) growth in India to rise to 7.2% in 2019-20 and reach 7.3% in 2020-21, reversing two years of declining growth as reforms to improve the business and investment climate take effect.

"India will remain one of the fastest-growing major economies in the world this year, given strong household spending and corporate fundamentals," said ADB chief economist Yasuyuki Sawada.

"India has a golden opportunity to cement recent economic gains by becoming more integrated in global value chains. The country's young workforce, an improving business climate, and a renewed focus on export expansion support this."

In China, structural changes in the economy away from industry and towards services, and financial tightening as the government seeks to control risks, will likely see economic growth moderate to 6.3% in 2019 and 6.1% in 2020 from 6.6% in 2018.

Slower growth is expected as the Chinese economy matures. This would mean India retains the tag of the fastest growing major world economy.

In India, income support to farmers, hikes in procurement prices for food grains, and relief to tax payers earning less than Rs 500,000 will boost household income. Declining fuel and food prices are also expected to provide an impetus to consumption. An increase in utilization of production capacity by companies, along with falling levels of stressed assets held by banks and easing of credit restrictions on certain banks, is expected to help investment grow at a healthy rate, the ADB said in its latest report.

Downside risks to growth include a higher-than-expected moderation in global demand and a potential escalation of trade tensions. Lower-than-targeted tax revenues or a delay in strengthening bank and corporate balance sheets could also undermine economic expansion, the ADB said.

Consumer price inflation is expected to rise to 4.3% in 2019-20 and 4.6% in 2020-21 as food costs increase slightly and domestic demand strengthens. Given that inflation is expected to average around 4% in the first half of 2019-20, the central bank would have some room for lowering interest rates.

Imports are expected to rise, mainly due to stronger domestic demand, while a growth slowdown in India's key destinations would dent export growth.

The current account deficit is expected to widen a bit to 2.4% of GDP in 2019-20 and 2.5% of GDP in 2019-20. The deficit is expected to be financed comfortably by capital flows, given that India has emerged as an attractive destination for foreign investment, the multilateral agency said.

Source: timesofindia.com - Apr 04, 2019

HOME

****

E-com in India to grow 4-fold by 2022: Worldline

The Indian e-commerce market could grow four times and touch $150 billion by 2022, according to a report by payment and transaction processing company Worldline India, which claims tracking the trends around payments, especially in China and India. The projection is based on the growth in digital payments and income and a surge in Internet users.

The company recently released the report detailing the major trends in digital payments in both the nations.

The merchant categories with the highest volume and value of transactions in 2018 were grocery stores and supermarkets, restaurants, service stations, clothing stores and hotels, which accounted for about 45 per cent of transactions, the report said. The categories remained the same for both credit and debit card transactions.

The number of transactions at point of sale (POS) terminals, electronic devices used to process card payments at retail locations, increased by up by 26 per cent from 4.6 billion in 2017 to 5.8 billion in 2018, while the share of card transactions at POS terminals to total card transactions remained constant in the 35-38 per cent range, says a press release from the company.

The value of transactions at POS terminals rose by around 27 per cent from ₹8.8 trillion in 2017 to ₹11.3 trillion in 2018, while the share of value of money spent through cards at POS transactions to total money spent through card transactions at POS terminals and ATMs went up from 25 per cent to 26 per cent during the same period. The number of POS terminals increased by 17 per cent.

Twenty nine per cent of all transactions done on POS terminals were done through credit cards and they translated to half of the total amount spent on POS terminals.

The number of ATMs decreased from 0.22 million in 2017 to 0.2 million in December 2018. However, cash withdrawals have bucked the trend of reducing ATMs; in 2018, cash withdrawals stood at ₹32.69 trillion, a rise of 21.2 per cent over 2017.

In 2018, the total number of credit card transactions was 1.68 billion, an increase of 24 per cent over the previous year and the total number of debit card transactions was 13.62 trillion, an increase of 16.1 per cent over the previous year.

The number of transactions done on mobile wallets in 2018 was 3.98 billion, an increase of 33.4 per cent over 2017, while the value of transactions in 2018 was ₹1.73 trillion, an increase of 81.46 per cent over the previous year.

In 2017, the ratio of non-cash transactions to gross domestic product (GDP) in China stood at 45 compared to 20 for India, said the report. Almost half of e-commerce transactions in China are done via wallets, with Alipay and WeChat Pay accounting for 92 per cent of mobile payments.

The report cites numbers released by the People's Bank of China. In China, the number of mobile payments stood at 25.71 billion transactions in 2016, which rose to 37.55 billion in 2017 and 42.81 billion for the first three quarters of 2018. In terms of value, mobile payments accounted for $23.45 trillion in 2016, $30.18 trillion in 2017 and $29.63 trillion for the first three quarters of 2018.

The transactions last year in China were likely worth around $40.9 trillion.

Source: fibre2fashion.com- Apr 03, 2019

HOME

****

Apparel exporters eye new markets to boost sales

Region-based traders focus on US, UK, Japan, Chile, Israel

The fall in apparel exports has compelled the region-based exporters, especially from Punjab and Haryana, to look towards new and emerging markets.

They are eyeing markets that have seen an extraordinary year-on-year increase in demand for Indian apparels in the past two years.

These countries include the US, UK, Japan, Chile and Israel.

Overall, exports in these markets have risen between 23 and 51%. According to exporters, the demand from key import markets such as the Middle-East, France, Sri Lanka and Sudan has been continuously on the decline in the recent months. The exports suffered a negative growth between 16 and 49%. The problem is further compounded by increasing competition from other exporting nations such as Cambodia and Bangladesh which enjoy low labour costs than India.

“There has been consistent decline in traditional markets like France, the United Arab Emirates, Sri Lanka and Sudan. Having received setback, the exporters are eyeing new markets like the US, Japan, the UK and Israel,” said Harish Dua, managing director of Ludhiana-based KG Exports.

Major apparel hubs in the northern region are in Ludhiana, Jalandhar, Panipat, Gurugram and Noida. Apparel clusters in the three northern states employ over two million workers. Around 200 textile exporters are based out of Punjab and Haryana alone.

Tamil Nadu is India’s biggest apparel exporter, followed by Maharashtra, Delhi, Karnataka and Punjab. These five states account for over 92% of India’s apparel exports. The major exporting countries are the US, the EU (mostly Germany, France, Belgium, Spain, and the Netherlands), the UK, and the UAE. These four markets import 75% of India’s apparel exports.

The apparels exported to these countries are mainly made of cotton, synthetic and polyester. Cotton and synthetic are domestically produced whereas the demand for polyester is met by domestic manufacturers as well as through import.

According to ICRA, India’s apparel exports are estimated to de-grow by 4-5% in FY2019, following a similar de-growth of 4% in FY 2018 and modest growth rates of 1% and 3% in FY2016 and FY2017, respectively.

“Though the exporters are targeting new countries, India has not been able to capitalise on the opportunity, mainly because of cost advantage enjoyed by Bangladesh and Vietnam,” said Narinder Chugh, managing director of Ludhiana-based Million Exporter (P) Ltd.

According to Drip Capital, some policy changes and interventions could give boost to the sector it needs. As India can't compete on labour costs, the focus should be on expanding schemes for tech upgrades and introducing more policies that incentivise apparel exporters to upgrade technology.

Source: tribuneindia.com- Apr 03, 2019

HOME

****

MSP hike spills over to WPI inflation

A sharp hike in minimum support prices (MSPs) of various crops, announced by the government last year to honour its promise of ensuring farmers a 50% profit over costs, seems to have started to spill over to wholesale price inflation, even in commodities where official procurement network doesn't exist.

Retail inflation, however, has largely been insulated from the MSP hike so far. Given its focus on retail inflation, the monetary policy panel could ease its stance from "neutral" to "accommodative" on Thursday on persisting risks to growth momentum, analysts reckon.

A glimpse at the price movement in key summer crops suggests WPI inflation in coarse cereals such as jowar, bajra and maize — which saw the maximum hikes in the benchmark prices in 2018-19 — has jumped substantially in the range of 26% to 39% in February.

Samiran Chakraborty, chief India economist at Citibank, told a TV channel that against the MSP increase of about 15% (weighted average), wholesale prices of these commodities are up about 9.5-10% so far. "So roughly a half or a little more than a half of the MSP increase has been passed through in wholesale prices, but we don't see that at all in retail prices," he said.

Not surprisingly, wholesale price food inflation jumped to 4.28% in February, from 2.34% in the previous month and as low as (–)3.24% in November 2018 (when kharif harvests picked up pace).

While the spike in WPI inflation in some of these items was aided by the base effect (they had witnessed deflation in February 2018, reflecting farm distress), the hike in MSPs of kharif crops in the range of 4% to 52% in July

2018 seemed to have weighed on market sentiments as well, especially after harvesting was over in December.

This could ultimately spill over to retail inflation in these items and drive up the overall consumer price index (CPI).

Data showed that even in crops like sunflower seeds, cotton (medium staple) and sesamum, against the MSP hikes of 31.4%, 28.1% and 17.9%, respectively, for 2018-19, WPI inflation jumped 26.6%, 5.8% and 30.7% in February.

In key pulses such as tur and moong, where the MSPs were raised by 4.1% and 25.1%, WPI inflation touched 14.7% and 13.5%, respectively. The official procurement is restricted to only rice, wheat and cotton.

Deflation in food articles, which have a near 46% weight in the CPI basket, has kept a leash on overall retail inflation for five months now. However, it narrowed to (–)0.66% in February from (–)2.24% in the previous month.

Consequently, overall retail inflation rose to 2.57% in February, reversing January's 19-month trough of 1.97%.

Given that CPI inflation is still benign, some analysts expect it to remain around 4% in the first quarter of FY20.

However, the RBI' projection of 3.2-3.4% for the first half of FY20 could be under threat if the rise in wholesale food prices spills over to the retail level and oil prices keep rising following Opec's recent decision to trim output.

Source: financialexpress.com- Apr 04, 2019

HOME

****

Textile mills can usher prosperity

Odisha can address joblessness by utilising its cotton production and establishing textile mills in the state

The main reason behind poverty in Odisha is unemployment. Although the state has abundant natural resources and manpower, successive governments have not been able to create employment opportunities utilising the resources. At present, about 50 lakh youth are working outside the state and in foreign countries ('Dadan Sramik') as there are no jobs in the state. Migrant labourers are being ill-treated and live in unhygienic environments, often subject to mental and physical torture. Lakhs of educated youth are also roaming the streets without jobs.

Odisha is self-sufficient in food, the first necessity, but not in clothing, the second. Clothes are imported from outside the state.

On the eve of Independence, Biju Patnaik, the leader who was also an industrialist and visionary, set up up a textile mill, Orissa Textile Mills, at Choudwar. Biju approached Harekrushna Mahatab, then chief minister to setup the mill.

But Mahatab refused to accept the proposal citing that Gandhiji had given the country a call to support the Khadi movement and to boycott mill made cloth before Independence and that it would be unfair to use mill made cloth instead of khadi soon after Independence. Mahatab said instead of textile mills, khadi would be encouraged.

But Biju countered that the khadi movement would not be able to meet the clothing needs of all people as the country's population was increasing.

Khadi had become a main instrument of the freedom movement, mainly because the British where selling their mill cloth produced in Manchester here and Indians lost interest in Khadi clothing that took more time to produce and was also costly.

If Odisha will not have textile mills, people of the state will have to use cloth produced in Mumbai. The only way the increasing clothing requirements of the populace can be met is to establish textile mills in Odisha.

Mahatab was finally convinced allowed Biju to set up OTM, the most modern textile mill in eastern India then in January 1946. The mill, unfortunately, was closed down 19 years back. Odisha now imports clothing from outside state to meet demands of the people. Why should money from the state go to other parts of the country when people here are unemployed? Odisha produced 4 lakh tonnes of cotton each year but we do not have ginning, spinning and textile mills here.

Farmers producing cotton are selling their produce to outsiders at unremunerative prices. About 7 lakh workers of Odisha are working in Surat, Gujarat, in textile industries. They are enriching the economy of Gujarat, while we are importing textiles from Gujarat to meet clothing requirements of our people. If we set up ginning mill in areas where cotton is being produced, it will help both farmers and unemployed youth.

Ginning mills will help separate cotton from seeds and these seeds can used to extract oil and the oil cake utilised as animal feed. Oil extracted from cotton seeds is edible and can be utilised for production of vanaspati. Cotton farmers also would get better price if seeds are separated from the bolls. We can also set up spinning mills. Yarn produced by these can be utilised by the handloom industry. Weavers will get yarn at competitive prices.

The state can also set up textile mills based on production of cotton and meet the clothing demand of the people of Odisha.

Source: orissapost.com - Apr 03, 2019

HOME

****

Spinning a spell

An exhibition delving into the various facets of khadi is on at the Bangalore International Centre till April 6. Meanings, Metaphor - Hand-spun and Handwoven in the 21st Century is presented by The Registry of Sarees.

The exhibition was previously showcased in Chirala in 2018, and Coimbatore this January which were all outcomes of a study of many cultures and technologies of cotton cultivation in India.

The saris were designed and produced between 2000 and 2001, and conceived as a collection of 108 designs. A collection of 108 varieties of cotton fabrics were simultaneously sourced from handloom centres across the country.

There will also be a series of talks and conversations as part of the latest showcase - Meanings, Metaphor. Ahalya Matthan, Founder, Director of The Registry of Sarees spoke to Metroplus on the sidelines of the exhibition. Excerpts.

Why is the show called Meaning, Metaphor?

The curator of the show, Mayank Mansingh Kaul, had the difficult task of finding the relevance of the collection both in its presentation and interpretation. In India today khadi no longer refers to only hand spun, but also includes food and cosmetics. The exhibition hopes to generate an interest in handspun fabric, its finesse, its "humanness" and seeks to find a new meaning or metaphor for such a unique Indian craft.

What is the vision for The Registry of Sarees?

The Registry of Sarees is a Research and Study Centre with a multi-disciplinary approach that enables design, curatorial and publishing projects in the area of handspun and handwoven textiles. We seek to express our passion for India — its people, history, contemporary culture, lifestyle and crafts through these alternative paths.

A studio space and library that caters to the study and documentation of textiles, their design and creation. Curated exhibitions that change the way people understand and experience heritage textiles in the modern context. Learning events that educate through the weaver crafts person's particular skill or trade.

Textile collections that offer unique interpretations of different traditionally practised genres of textile skills. We also have a craft and textile based lifestyle magazine.

Could you tell us about the history of the saris you are showcasing?

Fifty-one saris out of 108 housed at The Registry of Sarees in Domlur, will be on display. When it was first commissioned in 2000, the collection was christened Khadi – the Fabric of Freedom, and was curated by Martand Singh in collaboration with Rta Kapur Chisti, Rahul Jain and Rakesh Thakore. Rahul Jain's painstaking study is also documented like a photo album.

Where do the weaves of the saris and fabric come from?

The sari weaves are from Bengal and Andhra Pradesh. It highlights the use of Jamdani, tri-shuttle weaving and borders such as Jalchurri and Rudraksh. Jalchurri incidentally refers to the whisper of the ripple in water — that is the kind of detail that goes into this weave. Yardage is exhibited in the study with the original swatch book and 108 different counts or weights.

Could you elaborate about tri-shuttle weaving and Jamdani?

This expo is trying to explain what exactly is hand yarn and hand-spun. Tri-shuttle refers to a third path with the weave apart from the usual warp and weft. It takes a U-turn to create a pattern and a unique, thin pencil border. Jamdani is of Persian origin and has a Mughal influence.

The word is made of jam meaning flower and dani meaning vase. The name is evocative of the beautiful floral motifs that adorn these gorgeous saris. The Bengali version of the name, Dhakai, comes from the place of its origin — Dhaka in Bangladesh. Jamdani bloomed during the Mughal period.

Colonisation saw a decline thanks to the import of cheaper yarn from European countries.

The decline of Mughal rule saw producers of Jamdani deprived of their most influential patrons. Villages such as Madhurapur and Jangalbadi, once famous for the intricate Jamdani work faded.

Post-Partition, many weavers migrated to West Bengal and that marked the revival of the art form.

The base fabric for Jamdani is unbleached cotton yarn and the design is woven using bleached cotton yarn so that a light-and-dark effect is created. The making of Jamdani involves a supplementary weft technique with the standard weft technique. This weaving is closer to tapestry work, where small shuttles of coloured, gold or silver threads are passed through the weft.

What do Sandeep Sangaru's stands add to the display?

The showcase of these handmade cotton marvels gets that much more interesting with Sandeep Sangaru's artistic bamboo stands, where he has tried to evoke the fluidity of a sari. Like hand-spinning cotton, bamboo is sustainable and environmentally friendly.

What are the colours and natural dyes used in this collection?

The collection is displayed across three floors and the colours include indigo, red, yellow, natural brown and unbleached white cotton. Pure iron for the greys and blacks, original cottons are in white or off-white, the distinctive blue of indigo is made from a natural extract from the leaves of certain plants. Red and pink are from madder, a pigment extracted from the plant Rubia Tinctorum. Yellow is from turmeric plants and the tuber.

Source: thehindu.com- Apr 03, 2019

HOME

****