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IBTEX No. 163 of 2018 August 04, 2018

USD 68.52| EUR 79.36 | GBP 89.08 | JPY 0.62

Cotton Market (3-8-2018)		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22684	47450	**88.44**
Domestic Futures Price (Ex. Gin), October		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
24120	50453	**94.04**
International Futures Price		
NY ICE USD Cents/lb (Dec 2018)		88.83
ZCE Cotton: Yuan/MT (Jan 2019)		16,220
ZCE Cotton: USD Cents/lb		**91.66**
Cotlook A Index – Physical		**97.95**

Cotton Guide: The cotton price is at Rs. 24000 per bale or right above Rs. 50,000/- per candy, Ex-gin highest ever new season crop price in India for the October futures contract trades at MCX. Currently sowing of cotton across the country is in full swing and the old crop is trading around Rs. 47000 to Rs. 47500 per candy. Unquestionably the market structure seems quite surprising because during this time of the season the October future should trade below Rs. 50,000 mark. However, while we look at the subsequent futures contracts or forward orders in the physical market the structure is into backwardation as the supplies are expected to be adequate then during November and December. For reference, October, November and December futures are at Rs. 23950, 23510 and Rs. 23350 per bale consecutively.

Excessive priced forward booking in far month contracts at the physical markets, slight uncertain about the new crop supply in the country though sowing is in progress, global counterpart moving higher and trading near 90 cents per pound is supporting cotton price to trade higher. We think market might remain positive in the very near term.

The October future has posted a positive close at Rs. 23950 per bale up by Rs. 320 from the previous close. We think the trend might remain positive and the trading range for the day would be Rs. 23800 to Rs. 24200 per bale.

On the global front, ICE future moved to two months high price. December settled at 8920, up 86 points on Monday and up 250 points in the last 4 sessions. The trading volumes were around 23,912 contracts, the busiest day in over 2 weeks. Cleared Friday were 11,682 contracts. The cotton price continued to trade higher amid hot conditions in Texas however, scattered rains through Texas over the weekend ranged from helpful to no real change in conditions.

China's ZCE futures didn't share the ICE strength in their Monday session, but their Monday evening session (which is part one of their Tuesday session) had big gains with big volume. The active January 2019 contract for cotton this morning is seen trading at 17270 up by 530 Yuan/MT. Further Chinese State Reserve cotton on Monday auction had a turnover rate of 40.05 percent, spinners only. Offered were 30,003.4493 tons (137,806 bales); and sold were 12017.5722 tons (55,197 bales). The cumulative turnover rate is 59.8 percent (offered versus sold). This auction series started at 24.1 million bales and there were 16.06 million bales remaining.

On the technical front, December has exited its recent consolidation pattern to the upside, and most of daily modern set up is 'up.' Thus, there appears to be a potential for more upside adventures in the short term. The immediate resistance is seen at 89.50 and breach of which market might move to 90+ cents per pound. Likewise, on the lower side the support can be seen at 86.50.

FX Guide:

Indian rupee trades little changed 68.66 levels against the US dollar. The US dollar is choppy against major currencies ahead of central bank decisions this week. Also supporting rupee is strength in domestic equity market. However, weighing on rupee is weaker risk sentiment amid concerns about Chinese economy and higher crude oil price. Brent crude has moved near $75 per barrel supported by supply outages in major oil producing nations and optimism about US economy. Rupee may witness choppy trade amid positioning ahead of RBI decision tomorrow however some depreciation is likely as Fed's rate view and US economic optimism will support US dollar. USDINR may trade in a range of 68.5-68.85 and bias may be on the upside.

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

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INTERNATIONAL NEWS

USA: Apparel Would Benefit From Propose U.S. Free-Trade Agreement with EU

After months of talking about slapping tariffs on various imports from China, Canada and Mexico, the Trump administration announced it would like to start negotiations with the European Union to eliminate tariffs between the two regions.

The result would mean cheaper imports of French fashion, such as Chanel and Christian Dior, and cheaper exports of U.S.-made blue jeans. Think about the price reduction to import Italian denim that goes into many premium-quality blue jeans made in Los Angeles. It carries an 8 percent duty rate.

“At the luxury level, we use a lot of fabric from Italy and France, and the cost of those goods, if duties were off, would be down significantly,” said Ilse Metchek, president of the California Fashion Association in Los Angeles. “If you are going to a textile show such as Première Vision in France, you have to figure in how much extra it would cost for duties.”

On July 26, Trump stood with European Commission President Jean-Claude Juncker in the White House and announced that the European Union and the United States would start negotiating a free-trade agreement.

If this sounds like déjà vu, it is. Under the Obama administration, U.S. trade representatives in 2013 started to negotiate what was called the Transatlantic Trade and Investment Partnership, or TTIP.

“This is certainly a step in the right direction,” said Rick Helfenbein, president and chief executive of the American Apparel & Footwear Association, a Washington, D.C., trade group that represents major clothing manufacturers and importers.

In 2017, the United States exported $2.6 billion in textiles and apparel to the European Union while importing $5.5 billion in textiles and apparel from the EU.

When Trump took office in early 2016, he shelved those EU negotiations and said the United States would not be participating in the Trans-Pacific Partnership agreement between the U.S. and 11 Pacific Rim countries.

Eliminating tariffs would put U.S. companies on par with countries such as South Korea, which already has a free-trade agreement with the EU.

In addition, Japan just signed a free-trade agreement with the European Union, and in April, Mexico and the European Union agreed in principle to an updated free-trade agreement, putting U.S. manufacturers at a disadvantage.

Source: apparelnews.net- Aug 03, 2018

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USA: Trade Deficit Increases as Export Fall, Imports Rise

The U.S. trade deficit in goods and services rose 7.4 percent in June to $46.3 billion, the first monthly increase after three months of declines, according to trade statistics released by the Department of Commerce.

Exports were down 0.7 percent to $213.8 billion while imports rose 0.6 percent to $260.2 billion.

For the year to date, the total deficit is up 7.2 percent from 2017. Exports have risen 9.0 percent over the same period as a year earlier while imports have increased 8.6 percent.

The deficit in goods trade rose 4.7 percent to $68.8 billion in June.

Imports of goods were up 0.7 percent to $212.0 billion, including increases of $1.5 billion in pharmaceutical preparations and $1.2 billion in crude oil along with decreases of $800 million in computers and $500 million in telecommunications equipment.

Exports of goods fell 1.2 percent to $143.2 billion, including decreases of $900 million in passenger cars, $600 million in pharmaceutical preparations, and $400 million in jewelry.

The services surplus slipped 0.9 percent to $22.5 billion as imports gained 0.4 percent to $48.1 billion and exports gained 0.3 percent to $70.6 billion.

Country/region	Deficit	% Change	Surplus	% Change
China	$32.5 billion	+1.6		
European Union	$12.8 billion	+7.6		
Mexico	$6.7 billion	+15.5		
Germany	$5.7 billion	0		
Japan	$5.6 billion	-6.7		
Canada	$2.6 billion	+18.2		
Italy	$2.2 billion	-15.4		
India	$1.7 billion	-34.6		
Taiwan	$1.4 billion	0		
South Korea	$1.3 billion	-7.1		
France	$0.7 billion	-25.0		
South/Central America			$3.3 billion	-8.3
Hong Kong			$2.5 billion	-10.7
Brazil			$0.8 billion	0
Saudi Arabia			$0.8 billion	+700
United Kingdom			$0.4 billion	-33.3
Singapore			$0.1 billion	-88.9

Source: strtrade.com- Aug 04, 2018

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China Threatens New Tariffs on $60 Billion of U.S. Goods

China threatened on Friday to tax an additional $60 billion a year worth of imports from the United States if the Trump administration imposes its own new levies on Chinese goods.

The threat comes just two days after President Trump ordered his administration to consider increasing the rate of tariffs it has already proposed on $200 billion a year of Chinese goods — everything from chemicals to handbags — to 25 percent from 10 percent.

The United States and China, the world's two biggest economies, have for months been engaged in an escalating trade dispute. While they have targeted each others' products, the interconnected nature of the global economy has meant that other regions, like Europe, have also been caught up in the back-and-forth.

Beijing and Washington imposed matching tariffs last month on $34 billion apiece of each others' products, and have plans to add another $16 billion worth of goods to their lists. Previous rounds of tariffs cover a lengthy list of products from steel and aluminum to washing machines and even dried fruit.

The latest Chinese tariffs would, if implemented, be up to 25 percent, and cover 5,207 tariff categories, the country's commerce ministry said in a statement on its website.

"Because the U.S. side has repeatedly escalated the tension, disregarding the interests of enterprises and consumers of both sides, China has to take necessary countermeasures to defend the country's dignity and the interests of the Chinese people, defend free trade and the multilateral system, and defend the common interests of all countries in the world," the ministry said.

China's decision to threaten $60 billion of American goods is the first time this year that Beijing has not tried to match Washington's tariffs dollar for dollar. China instead is threatening roughly two-fifths of its purchases from the United States after President Trump threatened two-fifths of China's much larger exports to the United States, said Tu Xinquan, the executive dean of the China Institute for World Trade Organization Studies at the University of International Business and Economics in Beijing.

"It's more proportionate," Mr. Tu said.

China wants to find a negotiated solution to the two sides' trade policy differences, but also could not simply ignore President Trump's threat earlier this week, Mr. Tu added.

Mr. Trump ordered the Office of the United States Trade Representative on Wednesday to consider the possibility of 25 percent tariffs on $200 billion a year worth of Chinese goods. The 25 percent tariffs could be imposed in place of 10 percent tariffs that are already under discussion. Those tariffs have not taken effect, and a final decision on their size and scope is not expected until next month.

Source: nytimes.com- Aug 03, 2018

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Cotton Consumption Projected at a Record 27.5 Million Tonnes in 2018/19

Although China's tariffs on US cotton helped drag international prices down from June's season-high of 101.7 cents per pound, strong demand in Asia and Southeast Asia has helped them rebound by the beginning of August. Usually, high prices drive an increase in cotton cultivation, but less-than-ideal environmental conditions and a lack of available water are projected to cause a reduction in planted area for many of the world's top producers in 2018/19.

WORLD COTTON SUPPLY AND DISTRIBUTION

	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
				Changes from previous month		
	Million Tons			Million Tons		
Production	23.08	26.87	25.89	0.00	0.23	-0.05
Consumption	24.52	26.38	27.46	0.00	0.23	0.04
Imports	8.12	9.08	9.47	0.00	0.08	0.14
Exports	8.19	9.08	9.47	0.00	0.08	0.14
Ending Stocks	18.80	19.29	17.71	0.00	0.01	-0.08
Cotlook A Index*	83	88	87*			

*The price projection for 2018/19 is based on the ending stocks-to-mill use ratio in the world-less-China in 2016/17 (estimate), in 2017/18 (estimate) and in 2018/19 (projection), on the ratio of Chinese net imports to world imports in 2017/18 (estimate) and 2018/19 (projection), and the average price of 2017/18. Projection reflects 95% confidence interval.

Sour trade relations between China and the USA show little signs of improving, and could even deteriorate further in the near term, potentially causing major shifts in global trade patterns. China's 25% premium could prompt the USA, the world's largest exporter, to seek new markets for its fibre, while other major exporters such as Brazil are expected to fill the void by increasing their shipments to China, the world's largest importer.

Global production has increased 16% to 26.87 million tonnes in 2017/18, with increases expected from all major producers: India, China, USA, Brazil, Pakistan, West Africa, Turkey, Australia and Uzbekistan. Those increases, however, are the result of expanded plantings and favourable weather conditions, as global yields posted a marginal increase of 1%.

Global production for the 2018/19 season is currently projected at 25.9 million tonnes, which would represent a 4% decrease. Global consumption, on the other hand, is currently projected to increase 4% to 27.5 million tonnes.

With global consumption at an all-time high, pressure on stocks is expected to reduce global reserves by 1.6 million tonnes to finish the 2018/19 season at 17.7 million tonnes. Stocks in China are projected to decrease for the fifth consecutive year to 7.5 million tonnes, while stocks outside are expected to remain stable at 10.1 million tonnes.

Source: hometextilestoday.com- Aug 03, 2018

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Trump's Trade War Is Killing American Blue Jeans

Victor Lytvinenko is thumbing through emails on his iPhone trying to find the one that best shows the damage the global trade war has already done to his little, decade-old American jeans company.

The 37-year-old -- dressed in a black t-shirt, rolled-up blue jeans and a pair of Stan Smiths -- eventually looks up after finding the message. It's from a customer in Scotland who's apologizing for canceling an order worth tens of thousands of dollars. The reason? The shop owner balked at paying an additional 25 percent tariff the European Union slapped on American-made jeans in June as part of its response to President Donald Trump's duties on steel and aluminum.

"We've already lost two accounts," said Lytvinenko, who co-founded Raleigh Denim Workshop with his wife, Sarah Yarborough, in 2008. "That hurts."

Lytvinenko was in Manhattan in late July for an apparel trade show. The annual trip was usually a fun excuse to catch up with customers or play ping pong over beers with friends also trying to earn a living making clothes in the U.S.

But this year was different. The talk was very much about how American-made jeans -- of all things -- had been pulled into the trade spat.

Industry in Peril

It’s the latest gut punch for an industry that had already declined into a shell of what it once was.

In the past year, two of the last-standing major denim mills closed, including the biggest: Cone Denim’s facility in Greensboro, North Carolina, that many firms say was the last to make high-end denim fabric in the U.S. on a large scale. Increases in California’s minimum wage also helped drive several apparel factories in Los Angeles to shutter or move to Mexico, adding to a tumultuous year for an industry that’s been just hanging on.

On top of that, free-trade agreements had been pushing blue jean-making overseas for two decades, and now the remaining manufacturers can’t believe the irony of getting hit by a return to protectionism.

Major brands, like Levi Strauss & Co., had already largely bailed, shifting almost all of their production to Asia or Mexico. What’s left is mostly small businesses surviving by pitching craftsmanship and Americana in the premium end of the market with jeans priced at $200 or more.

“It’s another blow,” said Roy Slaper, who runs jeans-maker Roy Denim in Oakland, California. The tariffs don’t make sense economically because U.S. production is such a “microscopic” part of the global market, he said. The U.S. shipped just $31 million worth of jeans to the EU last year, or about 16 percent of the industry’s total global exports. “But politically, I can see why. Nothing is more American than jeans.”

Denim Birthplace

American blue jeans were born in San Francisco in the 1870s, and became a symbol of the frontier with Levis Strauss making the first pairs for miners working in the California gold rush. By the 1960s, they had evolved into a fashion emblem of cool and rebellion after pop icons like actor James Dean wore them. The EU no doubt had symbolism on its mind -- it placed duties on bourbon, too.

“They should put a tariff on hot dogs and apple pie, as well,” said Slaper, who has been making jeans for a decade. “I get it.”

Europe had already been a difficult market for American-made brands because it protected its apparel and textile industries. The EU had 12 percent duties on jeans in place, meaning that with the additional tariff, importers are now on the hook for 37 percent.

"It is a slap in the face," for companies dedicated to American manufacturing, said Scott Morrison, the founder of New York-based premium denim company 3x1. With two decades in the industry, he's one of the few to survive the great migration overseas.

So far, the company has been sharing the cost of the tariff with a European distributor and avoided raising prices, but "we are not sure if it's sustainable for a small business like ours," Morrison said.

Supply Chains

The production of blue jeans is a testament to how global trade has evolved. The cotton can come from the U.S. and be made into denim in Pakistan. The cutting and sewing then might take place in Indonesia and finished off with buttons and zippers from China.

But making jeans still requires more labor than other clothing because of all the sewing and finishing touches like making them look distressed.

And while moving production to lower-cost markets has reduced prices for consumers, it's also given big companies even more advantages.

Larger firms have the money and expertise to adjust their supply chains. Their clout also gives them leverage to pressure suppliers to take on cost increases. If they don't oblige, production can be moved.

That's what happened in L.A., with minimum wage hikes convincing some brands to source from Mexico -- where labor is much cheaper, according to Ilse Metchek, president of the California Fashion Association.

"The issue is it's so difficult to make it here," said Metchek, who has been in the apparel business for more than 50 years. Los Angeles used to be this "cluster of denim, but not anymore."

Of course, moving to Mexico is so advantageous because jeans can be shipped into the U.S. without any duties under the North American Free Trade Agreement.

But Nafta is also what helps make Canada, a member of the pact, the industry's biggest export market at more than three times the size of the EU at $108 million last year.

USA Revival?

There are other bright spots, too. A new denim mill is being built in Louisiana. Plus, Denimburg in Edinburg, Texas -- a large mill that's just a few years old -- is witnessing increased demand for made-in-America fabrics from brands like Calvin Klein.

"We are seeing some signs that there are opportunities for a small revival," said Mike Brown, who is commercial director for Denimburg and has been in the industry for four decades. "But it's never going to be as big as it once was."

Back at Raleigh Denim, which makes jeans at a 7,000 square-foot factory in the downtown of North Carolina's capital city, Lytvinenko is still worried about the tariffs because some European customers aren't responding to emails about their next round of orders.

"We've been viewing Europe as a huge market opportunity," he said. "It's a huge bummer because we've been growing every year, creating manufacturing jobs and building great products here in North Carolina. This hurts our prospects."

Source: bloomberg.com- Aug 03, 2018

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UK Consumers Increasingly Prefer Natural Fibers Over Synthetic, Says Study

Man-made fibers are falling out of favor as more U.K. consumers opt for natural fabrics, research by Cotton U.S.A.'s Global Lifestyle Monitor revealed last month.

Conducted by Ipsos Public Affair on behalf of Cotton Council International, the survey of 1,002 British people aged between 15 and 54 found that 28 percent of respondents refused to buy polyester, 17 percent eschewed synthetic acrylics and 2 percent gave rayon and viscose an equally wide berth.

What's more, nearly half of U.K. shoppers would rather pay more for clothing derived from natural fibers: 45 percent of respondents were willing to shell out more for fabrics such as U.S. cotton versus only 4 percent who would bust their budgets for synthetics.

The reasons for their preference? Natural fibers are more comfortable, 65 percent insisted. Plus, they're perceived as better quality (57 percent) and more durable (34 percent) than their man-made counterparts. In fact, 83 percent of respondents said cotton and cotton blends are their go-to fibers for the clothing they wear most often.

This desire shapes their behavior when consumers are cruising the racks. No less than 70 percent of U.K. shoppers check fiber-content labels at least some of the time before they purchase a garment, the survey noted. Older consumers were more likely to inspect clothing tags (75 percent) than younger generations (63 percent).

Those surveyed said they pick fibers such as U.S. cotton because of comfort (75 percent), trustworthiness (72 percent) and softness (69 percent). Another 80 percent liked American cotton's air of authenticity.

Consumers also associated cotton with eco-friendliness: 79 percent of respondents said cotton was the safest fiber for the environment, and 69 percent hailed cotton as the most sustainable fabric.

As for who was responsible for producing garments in a non-environmentally friendly way, 40 percent of consumers blamed manufacturers, 21 percent pointed the finger at brands and 17 percent said that consumers themselves should shoulder that responsibility.

“Across all parts of everyday life, consumers are becoming more conscious than ever before about how their actions impact the world we live in,” said Stephanie Thiers-Ratcliffe, international marketing manager at Cotton U.S.A.

“However, despite these changes, British consumers continue to favor clothes and garments made from high-quality, natural fibers such as U.S. cotton—a trend that we at Cotton U.S.A. are confident will remain and strengthen in the future.”

At the same time, fiber content isn’t the only consideration for consumers. The survey’s respondents said that fit (87 percent), comfort (84 percent) and price (79 percent) were the most important things to know before triggering a purchase.

Other concerns for online shopping abound as well. Shoppers cited shipping costs (70 percent), clothing quality (67 percent) and return policy (58 percent) as their biggest issues on the digital high street.

Source: sourcingjournal.com- Aug 03, 2018

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USA: Global home textiles market registers robust growth

"As per latest US customs data, the country’s imports of home textiles and made-ups grew at a robust 7.7 per cent to reach 8,740 million sq. mt. during the January-May 2018 period.

Import of made-ups and home textiles of man-made fibres grew 10 per cent to reach 6,093.6 million sq. mt.

In contrast, cotton made-ups and home textile imports grew by 1.6 per cent to reach 2,375.5 million sq. mt."

Home textiles and growing business

In value terms however, US imports of cotton made-ups and home textiles during January-May 2018, were $3034.7 million, 1.41 per cent lower than during January-May 2017.

China, which enjoys a share of 36 per cent in total US cotton home textile imports, witnessed a fall of 0.57 per cent in exports to the US, at $1,091.6 million. Close on the heels is India at $990.99 million, witnessed a drop of 6 per cent.

In MMF made-ups and home textiles, India's share is a meager 4.43 per cent, while China enjoys majority shareGlobal home textiles market registers robust growth 001 of 61 per cent.

In dollar terms, India's exports of MMF home textiles to the US grew 6.66 per cent to $100 million during January-May 2018. China's exports during the period were to the tune of $1390.92 million, growing 7.52 per cent

The global home textile market is estimated to reach $130 billion by 2021. Bed linen accounts for the largest share of 45 per cent in this segment, while bath linen constitutes 20 per cent.

Other segments such as floor coverings, furnishings, table and kitchen linen make up 35per cent of home textile market. Bed linen and bedspreads segment is expected to grow at a CAGR of 4.4 per cent to reach $60 billion by 2020.

The US is the world's single largest home textiles market accounting for 21 per cent market share. The US market is projected to grow at CAGR of 3 per cent to reach $27 billion by FY2020.

Europe is the second largest home textiles market, accounting for 26.8 per cent. Bed and bath linen market in Europe is expected to grow at CAGR of 1.7 per cent to $17 billion by 2020.

Meanwhile, Asia Pacific, accounting for 44 per cent of the market, remains the most dominant producer and consumer of home textiles. Here, China is the largest manufacturer and consumer of home textiles. The market size is estimated at $30 billion.

India is the third largest home textiles market in the Asia Pacific region, projected to grow at a CAGR of 7.2 per cent to reach $5.6 billion by 2020. India's bed linen consumption is expected to reach Rs 19,350 crore ($US 2.81 billion) by 2021, growing at a CAGR of 8 per cent from 2011-2021.

Towels consumption in the country is estimated to reach Rs 7,060 crore ($US 1.02 billion) by 2021, curtains Rs 4,790 crore ($US 0.70 billion) , blankets Rs 2,850 crore ($US 0.41 billion), upholstery Rs 3,080 crore($US 0.45 billion), kitchen linen Rs 2,400 crore($US 0.35 billion), and rugs and carpets ($US 0.18 billion) crore by 2021. The strong growth expected in the market over the next three years has pushed up investments in the sector.

Source: fashionatingworld.com- Aug 03, 2018

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Green's the way to go boost apparel exports in Bangladesh

Bangladesh feels by building its image as a green industry in the global market the country's export earnings can see growth.

But the country faces problems of poor awareness on environmental sustainability and inadequate funds.

Lack of technical expertise, limited availability of resources, scarcity of land and poor data management at the factory level are other factors.

But efforts toward green initiatives in the readymade garment sector are unstinting. Buyers the world over are attracted to green factories because of their commitment towards the environment.

Green industrialization can play a vital role in increasing product diversification, price competitiveness and cost competitiveness.

Since 2011, 67 Bangladesh readymade garment factories have received Leadership in Energy and Environmental Design (LEED) certification from the US Green Building Council (USGBC), one of the top green building rating systems in the world.

Out of the 67 factories, 13 have been rated platinum, 20 gold, and five silver. At least 222 more factories have been registered with the USGBC for the LEED certification.

The world is moving toward green industrialization. Green initiatives in the apparel industry attract global brands and retailers.

Indonesia has 40 green factories, followed by India with 30 and Sri Lanka with 10.

Bangladesh's readymade garment sector is a $28 billion dollar industry.

Source: fashionatingworld.com- Aug 03, 2018

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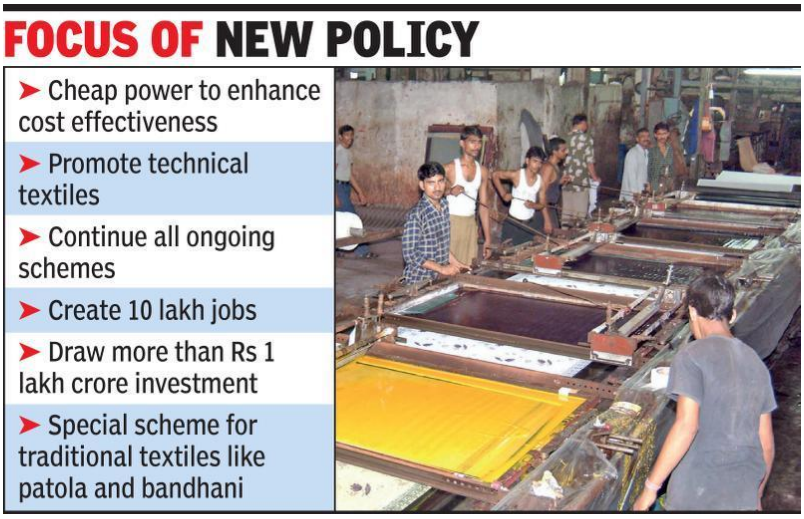
NATIONAL NEWS

State govt to unveil new textile policy soon

With growing competition from Maharashtra, Andhra Pradesh and Telangana for investment in the textile sector, the Gujarat government is set to unveil its new textile policy by the end of August.

The state government, through the new policy, aims to attract Rs 1 lakh crore in investment and create 10 lakh jobs in the textile industry over the next five years. The current textile policy, announced in 2012, will expire this September.



A task force has been forced to study incentives offered under the textile polices of other states. The task force is expected to submit its final report and proposed draft policy soon.

The new policy is expected to dole out several incentives, including cheap power, to attract industries to the state. The size of the textile industry, the largest employer in Gujarat, is roughly Rs 2 lakh crore, say market sources.

“We studied the textile policies of Maharashtra, Andhra Pradesh, Telangana, Tamil Nadu, Uttar Pradesh and other states. We may replicate many of their schemes given the geographical and industrial similarities between Gujarat and these states,” said a senior government official privy to the development.

“The state government is also actively considering reducing power tariffs substantially, as demanded by the textile industry,” the official added. The state recently declared it would reimburse state goods and services tax (SGST) to the textile industry.

The reimbursement will be given in lieu of sops given to the sector under the earlier value added tax (VAT) regime.Meanwhile, it has been approved, in principle, that all the schemes under the textile policy of 2012 will be continued in the new policy as well.

“The new policy envisages a special thrust on garments and technical textiles.

Creating a direct linkage between cotton growers and industry is needed, hence there will be specific incentives to create linkages as well. There will also be a focus on establishing textiles parks within GIDC estates and in other parts of the state,” sources added.

Gujarat’s heritage textiles such as the patola from Patan and bandhani from Jamanagar also need to be promoted. “There may be a special scheme for them as well,” sources added.

Source: timesofindia.com- Aug 04, 2018

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Textiles body urges govt to push for duty-free access to China

The Confederation of Indian Textile Industry (CITI) today urged the Centre to negotiate with China for duty-free access to India's cotton textiles as enjoyed by other competing nations, including Vietnam, Indonesia, Pakistan, and Cambodia.

India was the net exporter of textile and apparel products to China during 2010-11 to 2013-14.

"However, the trend has been reversed constantly since then and India is losing business to nations like Vietnam, Indonesia, Pakistan and Cambodia, who enjoy duty-free access to the Chinese market," Sanjay Jain, chairman, CITI, said in a letter written to the government recently.

He informed that Indian products carry 3.5 percent, 10 percent and 14 percent duty on yarn, fabric, and made-ups, respectively.

"India's cotton yarn exports to China has decreased by 53 percent in 2017 from 2013, while Vietnam's exports of cotton yarn to China has increased by about 88 percent during the same period," said Jain.

India exported USD 1,362 million worth of textile and apparel products to China in 2017-18, while the country's imports from China stood at USD 2,905 million, indicating a trade deficit of USD 1,543 million, he said.

"Therefore, the textile industry body has urged the government to push negotiations with China to give duty-free access to Indian cotton textiles," he added.

Source: business-standard.com- Aug 03, 2018

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Indian govt modifies implementation mechanism of ATUFS

The ministry of textiles, Government of India, has modified the financial and operational parameters and implementation mechanism of Amended Technology Upgradation Fund Scheme (ATUFS) vide Revised Resolution dated August 2, 2018.

The revised scheme would facilitate improvement in productivity, quality, etc, create more jobs and boost textile exports.

As per the revised ATUFS, the applicants who applied for UID under RRTUFS before 12.01.2016 but the UIDs could not be issued to them for non-availability of funds, will be given one-time opportunity to apply for subsidy under ATUFS. Textile Commissioner will issue a communication in this regard.

Limited Liability Partnership Firms registered under LLP Act, 2008 will also be eligible for the benefit of capital subsidy under ATUFS. Cooperative Banks will also be the lending agency under the scheme.

Specification of technology for the machinery for all the eligible segments would be prescribed annually in advance by the TAMC effective from 1st April of the year.

Textile Commissioner will constitute a Technical Committee which will assist the TAMC to prepare an indicative list of manufacturers of machinery. This Committee will meet on monthly basis to update the list of machineries and manufacturers.

This list will be suggestive and not exhaustive or complete. Industry will be at liberty to purchase machinery of their own choice conforming to the specified technology parameters subject to inclusion in the indicative list of manufacturers by the TAMC.

Accessories, attachments, sample machines and spares procured from other manufacturers enlisted in the indicative list will also be eligible for subsidy up to a value of 20 per cent of basic cost of machinery.

Unique Identification Number (UID) has been defined as provisional approval for estimated Capital Investment Subsidy based on the tentative estimates of specified machineries for technology upgradation.

The revised ATUFS also has a clause that except in case of merger, acquisition, amalgamation or takeover of the entity, the plant and machinery purchased with subsidy under TUFS shall not be disposed of before 10 years of the date of purchase without prior approval of the Textile Commissioner.

Moreover, the entity will be required to furnish a declaration of the subsidy availed by it under RRTUFS and ATUFS.

Further, advance payment up to the limit of his own share in the machine cost can be made by the applicant prior to the date of sanction of the term loan.

For ATUFS, purchase date shall be date when full and final payment is made by the entity for machinery. In addition to the ATUFS benefits, textile units would be permitted to avail benefits of the state government’s schemes.

Commenting on the announcement, The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC) chairman Narain Aggarwal said the amended scheme would encourage investment in the man-made fibre (MMF) textile segment and give a boost to ‘Make in India’ and ‘Zero effect’ and ‘Zero defect’ initiatives of the government.

"This will also help in more employment generation and boost exports in the textile sector. This revised scheme would also facilitate improvement in productivity, quality, etc. in the textile industry," Aggarwal said.

ATUFS was launched in January 2016 for a period of seven years in place of the erstwhile Technology Upgradation Fund Scheme (TUFS). The government provides credit linked subsidy under the scheme.

Source: fibre2fashion.com- Aug 03, 2018

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Maharashtra seeks Thailand's support in textiles, dairy, IT

State industries and mining minister Subhash Desai today sought support from Thailand for collaborations in sectors like food processing, textiles, dairy and information technology.

At meeting with a delegation from Thailand here today, the minister said Thailand and Maharashtra can work together to uplift the small and medium enterprises (SMEs).

"SMEs in Thailand and Maharashtra can explore joint collaborations in various sectors," he added.

Desai said the state produces millions of tonnes of milk but processing facility in dairy sector is inadequate.

"Similarly, the state has diverse climatic conditions and farmers are cultivating high quality food crops supported by substantial research and development.

We look for Thailand's partnership in secondary treatment of these food crops, which include preservation, processing, packaging and export," he said.

Seeking Thailand's support for value addition in the textiles sector, he said, "Maharashtra has set up a dedicated textile park and nine more are in the process of being developed. We hope to see majority of garments in the world market to be labelled as 'Made in India' products."

Desai informed the delegation that the state accounts for 15 per cent of the country's GDP, more than 40 per cent of exports and attracted 50 per cent of the country's foreign direct investment (last year).

"Maharashtra has special policy for SMEs and the government supports SMEs in land allotment, licensing, reservation and procurement so that they do not have to compete with large enterprises," he added.

Speaking at the same event, Small and Medium Enterprises Promotion of Thailand deputy director general Wimonkarn Kosumas said, "There is tremendous potential to enhance partnership between Thailand and Maharashtra. We have set up a dedicated desk to promote SME collaboration with Italy and Japan. We can set up similar dedicated desk for Maharashtra as well."

Kosumas also outlined a four-point programme to strengthen bilateral ties, which includes setting up a dedicated Maharashtra desk in the Office of Small and Medium Enterprises Promotion (OSMEP) in Thailand.

Source: business-standard.com- Aug 03, 2018

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Small US firms want status quo for GSP benefits for India

The Office of the United States Trade Representative (USTR) has been petitioned by a number of small US businesses across sectors to continue extending tariff benefits under the generalised system of preferences (GSP) to India as withdrawing those could hit their own bottomlines, employment capabilities and welfare of employees associated with them.

In petitions to the USTR as part of the ongoing GSP Country Practice Reviews of India, Indonesia and Kazakhstan, the businesses have urged the US Government not to ignore the interests of numerous other sectors for the sake of the dairy, pork and the medical equipment industry that want the benefit to be withdrawn, according to a report in a top Indian business daily.

As imports are made with long-standing suppliers, in case the GSP status is revoked, identifying new suppliers with the same quality and price point would be extremely time-consuming, the businesses feel.

The GSP allows market access at nil or low duties for about 3,500 Indian products, including chemicals and textiles.

The United States, however, did not renew the scheme for India in April as the USTR wanted to hold an eligibility review. The complainants, primarily from the dairy and medical devices industry, are not happy with certain restrictions in the Indian market.

Source: fibre2fashion.com- Aug 03, 2018

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Insect-resistant cotton varieties to rescue of ryots

Now, farmers of the State will be able to cultivate two insect-resistant and high yielding cotton varieties. Developed by Bhawanipatna research station of Central Institute for Cotton Research (CICR) under All-India Coordinated Cotton Improvement Project, the two varieties of non-Bt cotton will have a series of advantages over conventional cotton.

The two varieties - BS 279 and BS 30 - will ensure profit in the form of higher yield, quality fibre, minimum cultivation cost, water use efficiency, insecticide efficacy and minimum pesticide usage. Above all, the new varieties are resistant to sucking pests, a problem still associated with even Bt cotton.

Bhawanipatna unit, operating under the Regional Research and Technology Transfer Station, has recently released the two varieties for use by the State farmers. So far, 20 varieties of cotton developed by the centre have been sent to different research stations for a coordinated multi-location trials. Agronomist Bhawani Shankar Naik, who is in-charge of the centre, said the two new varieties were successful in all tests. While BS 279 is resistant to sucking pests including jassid, BS 30 is also insect-resistant.

The yield of these two varieties is 20 to 25 quintals per hectare and farmers can keep their own seed for the next cultivation. Six more varieties of cotton are in the pipeline to be submitted for release and 34 varieties have been tested as part of coordinated multi-location trial, he said.

Set up in 2003, the centre conducts intensive research on different cotton varieties and hybrids suitable for the region and transfers technologies to farmers and line departments. It is one of the 21 research stations in the country under CICR and only station for cotton in Odisha. It is functioning in a farm field spread over five acres of land.

However, the centre is struggling due to dearth of research hands, manpower and other facilities. While the centre requires three scientists, Breeder, Agronomist and Entomologist, there is no full time breeder and one castor breeder has been given additional charge of breeding.

Similarly, out of three field technicians to assist the scientists, only one field technician is available.Subject Matter Specialist Narayan Upadhaya said the research centre needs upgradation for cotton coverage on more than one lakh hectare. At present, cotton is being cultivated on over 1.5 lakh ha in the State and Kalahandi district's share is 58,395 ha, he added.

Source: newindianexpress.com- Aug 04, 2018

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