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IBTEX No. 4 of 2018 January 05, 2018

USD 63.35 | EUR 76.48 | GBP 85.95 | JPY 0.56

Cotton Market (4-01-2018)

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

Rs./Bale	Rs./Candy	USD Cent/lb
19123	40000	**80.37**

Domestic Futures Price (Ex. Gin), January

Rs./Bale	Rs./Candy	USD Cent/lb
20090	42024	**84.44**

International Futures Price

NY ICE USD Cents/lb (March 2018)	78.11
ZCE Cotton: Yuan/MT (Jan 2018)	14,675
ZCE Cotton: USD Cents/lb	**87.14**
Cotlook A Index – Physical	**89.6**

Cotton & currency guide: Cotton is swinging between thin ranges of 77.50 to 78.50 cents per pound in this week. Market is bit jittery about the fresh triggers no major buyers in the market while there is restrain in selling. Mills have booked their positions which pushed price a tad higher on Wednesday during US session. The most active March future ended the session at 78.11 cents while May contract posted a close at 78.26 cents. This morning both the contracts are trading higher by quarter per cent at 78.30 and 78.40 cents per pound respectively.

This week's USDA weekly export sale data and CFTC on calls figure would be released by a day late on Friday and believe these data may have some trigger in the market and until then price may continue to trade in the aforementioned trading range while the bias may be on the positive tone.

On the trading front the trading volumes are relatively thin. Volume was 23,676 contracts. Cleared Tuesday were 34,288 contracts. Open interest on Wednesday was at 283,001 contracts, up 312 contracts from previous day. That was the highest open interest since February 9th (283,418). The 2017 open interest high was 288,081 contracts on February 6th. While certified stocks in ICE were down by 4 bales to stand at 47,597 bales.

More on the price front based on technical analysis we expect 79 cents remain a key resistance level and breach of which market may test the psychological level of 80+ cents. While on the lower side we have 76 as key support level. Unless there is strong change in the market development the market would continue to swing in the same trading band.

Coming to domestic market price for Shankar-6 variety has declined to an average price of Rs. 40,850 per candy down by Rs. 150 from previous close which equivalent 82.10 cents per pound. The Punjab J-34 variety is quoted at Rs. 4230 per maund approximately 81 cents per pound. On the supply front there has been slight decline in the arrivals which stood at 158,500 bales. This figure includes 38,000 registered in Maharashtra, 37,000 in Gujarat, and 35,000 in Andhra Pradesh/Telangana. The total figure is lower than of late due to disruptions in supply in Maharashtra caused by local political protests and cold weather in the Northern Zone.

However, we believe the January would be the month the arrivals should increase in this season as peak month and the effect on the price is gradually seen. A week earlier S-6 price had reached to almost Rs. 42,000 per candy which has now softened to Rs. 40850 level. We believe there is more room for the price correct down side. Nonetheless we have to see how the ICE Cotton futures perform in the next few trading session.

Lastly on the domestic futures front the most active January future on Wednesday witnessed volatility the price initially had declined to Rs. 19950 per bale which posted a higher close at Rs. 20130 per bale. There is no change in the recent bearish corrective direction while 19900 are seen to have strong support level. Likewise, 20300 are to be measured as strong resistance level.

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

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INTERNATIONAL NEWS

USA: The Outdoor Industry Could Soon be Saving Big on Apparel and Footwear Duties

The U.S. apparel and footwear industry is calling for swift enactment of the Outdoor Act, which would lower or eliminate import duties on outdoor clothing and support research programs for the industry.

In a letter to Sens. Roy Blunt (R-Miss.) and Maria Cantwell (D-Wash.) of the Senate Finance Committee, the American Apparel & Footwear Association (AAFA) said the Outdoor Act will eliminate duties on imports of recreational performance outerwear and establish the Sustainable Textile and Apparel Research Fund.

The fund would support U.S. jobs by funding domestic research programs and American technologies for creating sustainable, eco-friendly apparel supply chains. The Act was introduced in August and has been sent to the Finance Committee for consideration.

“The high tariffs that remain (some as high as 30 percent) no longer protect a domestic industry and instead stifle product development and unnecessarily hamper our growth,” Rick Helfenbein, president of the AAFA, wrote in the letter.

“In fact, a 2007 study by the International Trade Commission found there is no commercially viable manufacturing of recreational performance outerwear in the U.S. The bill has been thoroughly vetted with the domestic textile and apparel industry to ensure none of the products covered by the bill are made in the U.S.”

The AAFA says it supports of the Act because its calls for the elimination of “unnecessary and excessively high” tariffs on recreational performance apparel “that no longer serve their intended purpose.”

The Act will also help make these products more affordable for companies to produce, encourage more Americans to get outdoors, fuel innovation, and help the U.S. apparel industry and its workers., AAFA said.

"With the likelihood that Congress will consider a trade package this year, we are excited about the possibility of the U.S. Outdoor Act being passed and signed into law," Helfenbein added. "We greatly appreciate your leadership on this issue and look forward to working with you."

The bill has bipartisan support and is cosponsored by Cantwell and Blunt, as well as Democratic Sens. Dianne Feinstein of California, Jeff Merkley of Oregon and Tim Kaine of Virginia, and Republican Sens. Cory Gardner of Colorado and Steve Daines of Montana.

Source: sourcingjournalonline.com- Jan 04, 2018

HOME

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Pakistan's total cotton production in bales jumps 7.15 pc

Pakistan's Total cotton Production in Bales went from 10.366 million to 11.108 million; registering a jump of 7.15 percent, as per the arrival of figures from the Pakistan Cotton Ginners Association till January 1, 2018.

The jump in production came as a result of healthy growth in crops across the major Cotton producing provinces of Pakistan: Sindh and Punjab.

Pakistan Cotton Ginners Association (PCGA) today released the Consolidated Statement of Cotton Arrivals in Factories as on 1st January, 2018. The statement collects all the information on the buying and selling of Cotton Bales in the country and releases a statement every year to record and disseminate the numbers.

Total Punjab Production went up during the year by 4.19%. The total Bales produced in Punjab clocked in at 6.895 million against last year's 6.617 million bales. Topping the list in Punjab, Rahim Yar Khan produced most bales during the last year, with a total 1.028 million bales.

Apart from Rahim yar Khan, Bahawalpur produced 974 thousand bales, Bahawalnagar 890 thousand, Khanewal 677 thousand and Vehari 569 thousand bales during the last year. The other twin province leading Cotton Production, Sindh, saw a 12.3% increase in production owing to the rising production and favorable weather conditions.

Leading the province and the whole country in Production of Cotton, Mirpur Khas' contribution to total Cotton production was 1.38 million bales. Following Mirpurkhas, Sukkur produced 602 thousand bales, Ghotki 380 thousand, and Naushehro Feroze 639 thousand bales during 2017.

Major buyers for Cotton Bales during the year 2017 were Exporters and Textiles. Textiles in line with their yester year trends, bought more than 9.558 million bales of cotton up by 8% during the last year. On the other hand, the second major buyer of Cotton, Exporters, bought 7.7% more bales during the ongoing year, with total bales bought during the year clocking in at 214 thousand total bales.

Against the last year's unsold stock of 13% of the total production, this year's total was 1.335 million bales; 12% of the Total Production.

Source: dunyanews.tv- Jan 04, 2018

HOME

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Cotton Prices 2017: The Year in Review, Looking Ahead

Cotton prices have increased by nearly 9 cents per pound so far in 2017, a rise of about 6 percent, to 75.48 cents, according to data from the U.S. Department of Agriculture (USDA).

The seven-market U.S. average cotton spot price, which ended 2016 at just under 68 cents per pound, peaked at 78 cents in mid-May. From there, it fell by nearly 18 percent in the next two months to 64.5 cents before rising steadily through most of the rest of the year through Dec. 22.

Stocks outside of China, most of which are freely traded, are expected to grow by nearly 25% this year, to their highest level ever, according to the USDA, with stocks in the U.S., the world's largest exporter, forecast to more than double compared to last year.

It is important to make the distinction between supplies inside and outside China since Chinese supplies have largely been government-controlled, with Chinese import quotas at low levels, reducing its direct interaction with the world market.

With supply expected to increase so much, it may seem counterintuitive that prices are rising. However, many factors impacting cotton have been difficult to predict. Revised global production and mill-use estimates indicate supply has actually been tighter than many forecasters previously thought. “The increase in prices has occurred despite expectations for a big increase in supply outside of China,” said Jon Devine, chief economist at Cotton Incorporated, in an email to Sourcing Journal.

The difficulty in forecasting is not new. Devine remarked that the current situation, where supply and demand forecasts suggest prices should move in the opposite direction in which they are moving, also occurred late last year, when the USDA was forecasting a large increase in U.S. stocks, after which unseasonably strong export sales throughout the winter months supported prices, and the USDA revised its forecast.

The USDA has already revised its estimate of the 2017-18 global cotton harvest down by 1.5 million bales (a bale equals 480 pounds) to 120 million, with the biggest downward revisions for India and Pakistan. The estimate for ending stocks has decreased by 2.9 million bales to 88 million. Global mill use estimates were revised slightly higher as well.

“There is some disagreement currently regarding stock levels in India, with some estimating agencies indicating that Indian stocks could be 5-10 million bales less than what the USDA estimates,” said Cotton Incorporated’s Devine. “Despite the discrepancy in the level of stocks in these countries, the direction of change in supply indicates that stocks in India should rise this year.”

There is also reportedly some contention regarding Chinese stocks (outside of government reserves), with some estimating agencies indicating that stocks in China could be several million bales lower than the USDA figures.

Lower Chinese supplies suggest China may need to import more. This should be expected to support prices eventually, particularly if China lifts imports.
Cotton production for the 2017/2018 season is now expected to rise by 15 million bales over the 2016/2017 season, with global mill use expected to increase by almost 5 million bales.

U.S. cotton exports are forecast to rise by almost 2.7 million bales.

Although evidence points to continued support for current or even higher price levels, recent history shows that the future of cotton prices remains to be seen. A drastic change in policy by China, an increase in consumer demand for cotton, improved information about stocks in India and Pakistan, and a change in growing conditions could all push 2018 prices in one direction or another.

Source: sourcingjournalonline.com- Jan 04, 2018

HOME

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Will the UK Be Next to Join TPP?

The U.S. may have worked its way out of the Trans-Pacific Partnership, but the U.K. seems to be working its way in.

The U.K. has reportedly had informal talks about joining the Pacific Rim trade deal that the 11 remaining member nations have been trying to resuscitate since the U.S. departure last January. The move, if made, would happen in line with Brexit's end and would make Britain the first member nation that doesn't border the Pacific Ocean or the South China Sea.

If the U.K. were to become a part of the TPP, it might stand to breathe new life into the agreement that some nations grew less keen on without the U.S. involved.

As it stands, the 11 remaining TPP countries, which include Canada, Japan and Mexico, have agreed to push forward with a TPP now known as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

In November, ministers from the 11 member nations agreed to a framework for the deal and said they'd come to terms on the substance of the agreement but still had work to do on the details.

The likelihood of the U.K. joining TPP still rests on a number of things, like how the current iteration of CPTPP turns out and what happens in the Brexit separation.

Skeptics are already calling the idea of a U.K.-included TPP "desperate" on the U.K.'s part, as its entry into TPP would neither give it much control in the Pacific Rim region, nor much of a trade benefit as its trade in goods with the region has been on the light side.

The U.K. exported just 1.6% of its goods to Japan in 2016, according to data compiled by the Observatory of Economic Complexity—and Japan is the largest economy in the TPP.

Canada only took in 1.5% of the U.K.'s exports. By comparison, the U.K. exported 17.5% of its goods to Germany and France alone, which is why leaders and stakeholders have aired concerns that the U.K.'s priority should be on working out its post-Brexit trade relationship with the EU.

"This smacks of desperation," U.K. former Lib Dem leader Tim Farron told The Financial Times. "These people want us to leave a market on our doorstep and join a different, smaller one on the other side of the world. It's all pie in the sky thinking."

The news of the U.K. mulling a TPP membership follows a report from the British Retail Consortium released late last month warning that the U.K. brands and retailers could soon be spending more on sourcing without the duty savings they're currently enjoying under EU trade deals if they don't adopt their own new trade deals in short order.

Currently, the EU doesn't pay any tariffs for clothing imports from Turkey for one, which is one of its biggest trading partners in the sector, and once the U.K.'s on its own without a trade deal, the tariff rate would be 12 percent.

That would make a $5 T-shirt cost $5.60, which could very quickly add up to considerable extra production costs.

Source: sourcingjournalonline.com- Jan 04, 2018

HOME

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FTA with Malaysia: Will it Lead to an Expansion in Flow of Trade and Investment with Sri Lanka?

Prime Minister of Malaysia, Najib Razak, who was on an official visit to Sri Lanka in December 2017 to mark the 60th anniversary of diplomatic relations between the two countries, has agreed with his counterparts, to expand cooperation in fields such as trade and investment. He said a Free Trade Agreement (FTA) would be useful to expand bilateral trade and steps would be taken to explore its feasibility during his meetings with President Maithripala Sirisena and Prime Minister Ranil Wickremesinghe.

Compared to its neighbors in Southeast Asia, Malaysia was a latecomer to FTAs. But now it does not want to be left out of major deals. Malaysia has signed 13 FTAs with ASEAN and other partner countries: 7 bilateral FTAs and 6 regional FTAs. Malaysia signed its first bilateral FTA with Japan in 2005. Since then, it has signed deals with South Korea, Pakistan, Chile, India, New Zealand, Australia, and more recently with Turkey.

It is in negotiations with Hong Kong, the European Union (EU), and the European Free Trade Association (EFTA), while also being involved in the Regional Comprehensive Economic Partnership (RCEP) and the Trans Pacific Partnership (TPP). Malaysia has been in FTA talks with the USA, but these have been shelved since 2009 over a number of issues (government procurement, Bumiputra policy, etc). Malaysia's approach in negotiating FTAs has been progressive; while its initial FTAs reduced tariffs and non-tariff barriers, those signed recently have been more comprehensive, with deeper commitments, indicating that Malaysia has stepped up its game.

A FTA with Malaysia opens avenues for Sri Lanka to enter into the dynamic Malaysian market and plug into value chains in the region. Sri Lankan exporters, importers, and consumers can stand to gain by opening its market and freeing trade and investment between the two countries.

Two-way Trade

Trade between Sri Lanka and Malaysia has grown moderately over the past decade. Aggregate bilateral trade (exports plus imports) increased from US$ 384 million in 2007 to US$ 684 million by 2016, representing a 75% rise. However, such figures belie the actual state of affairs.

An examination of disaggregated statistics indicates fluctuations in bilateral trade. Furthermore, trade flows have been persistently asymmetric; Sri Lanka has been running a trade deficit with Malaysia, given that exports have remained somewhat stagnant, while imports display an upward trend. In 2016, the trade deficit stood at approximately US$ 599 million, almost double the figure recorded in 2007. However, one should not be too concerned about the growing trade deficit, given that over 60% of total imports (excluding consumer goods) from Malaysia consist of intermediate goods, capital goods, and raw materials, which are in turn used as inputs into production and exports from Sri Lanka.

As a trading partner, Malaysia is the 6th largest source of imports to Sri Lanka; Sri Lanka imported goods worth US$ 642 million from Malaysia in 2016, accounting for 3.3% of inflows into the country. Conversely, Malaysia ranked at the 36th place in terms of Sri Lanka's export markets, with Sri Lanka exporting US$ 42 million or 0.4% of total exports to Malaysia. Main exports from Sri Lanka are, vegetable products, rubber articles, textiles and clothing, food products, while imports from Malaysia included fuel, vegetables, machinery and electronics, and wood products

To truly maximize the benefits of the bilateral trade relationship, Sri Lanka needs to significantly increase the quantity and the value of exports to Malaysia. Opportunities for this still exist in a selected number of export products, given the supply and demand situation between the two countries; for example, rubber, tea, etc. International trade statistics indicate the market potential for "Black Fermented Tea" to be around US$ 27 million in Malaysia.

However, Sri Lankan producers face stiff competition when catering to the Malaysian market. Such competition is intra-regional in nature, with nations like China, Vietnam, and Cambodia offering relatively similar products at a significantly lower cost. Furthermore, Sri Lankan exports lose competitiveness when slapped with high import tariffs. For instance, Sri Lankan exporters struggle to compete with regional traders who have duty free access given their countries' membership in ASEAN.

If Sri Lanka liberalizes trade with Malaysia under a FTA, exports are likely to increase by US$ 2.34 million, according to preliminary estimates by IPS. This would amount to a 6% increment from the current export levels. Significant gains can accrue to rubber products and tea, which together encompass more than 60% of potential trade gains under a FTA.

Particularly, Sri Lanka is projected to make strides in the export of pneumatic tyres, solid/cushion tyres, and black tea, if Malaysian tariffs on such produce are eliminated under a trade deal; currently Malaysia imposes custom duties of 23%, 25%, and 5%, respectively on these items. It is important to note that these projections do not take into account the effect of liberalization on the rest economy.

However, it is worrying to note that commonly used trade indicators do not suggest a huge potential for bilateral trade expansion. Growth in exports has been negative during the past five years. Trade Intensity Index has been falling over the last ten years, suggesting that Sri Lanka has been trading less intensively with the Malaysia *vis-a-vis* the world, while Trade Complementarity Indicator also remains low.

The latter suggests that Sri Lanka’s export/import structures do not align well with those of Malaysia. This premise is further supported by a cursory look at the Revealed Comparative Advantage indicators of Sri Lanka and Malaysia, which show both countries are competitors in some exports, reducing the potential for bilateral trade expansion. Given the importance of the services sector in both countries, accounting for more than a half of economic activity and expansion of export and import of services, there might be greater benefits from liberalization in trade in services; opportunities are already increasing due to Malaysia’s liberalization policies since 2009.

Malaysian FDI

In addition to being a popular destination for Foreign Direct Investment (FDI), Malaysia has successfully become a significant outward investor as well. Malaysian firms are increasingly investing in Asia and in the services sector. Outward investment by Malaysian firms has steadily increased and has consistently topped more than US$ 7 billion a year since 2009.

Malaysia is one of the main sources of FDI into Sri Lanka, accounting for 14% of total FDI inflows between 2005 and 2015 (at US$ 1.36 billion). These investments are mainly in the telecommunications, construction, and education-related services. Malaysian investments have gradually declined over the past few years, but this is in keeping with the general trend of FDI flows into Sri Lanka (Figure 1).

The largest Malaysian investor in Sri Lanka is *Dialog Axiata*, a cellular mobile telephone network provider with a reported investment close to US$ 2 billion. In addition, *Maxis Berhad* has also invested in the telecommunications sector through Sri Lanka Telecom. Recently *Khazanah Nasional Bhd* bought an 8.9% stake in Sri Lanka's largest listed company, *John Keells Holdings PLC* for US$ 120 million. Major investments have also taken place in the educational sector (e.g. *APIIT*), agriculture (e.g. *Naratha Agro Industries*), and construction (e.g. *Wincon Development Ceylon Ltd*). It has been reported that Malaysian businesses are also interested in investing in other areas such as health, the energy sector and agriculture. A FTA with Malaysia can further facilitate cross-border investments by easing the entry for Malaysian investors in the context of an improved business environment in Sri Lanka.

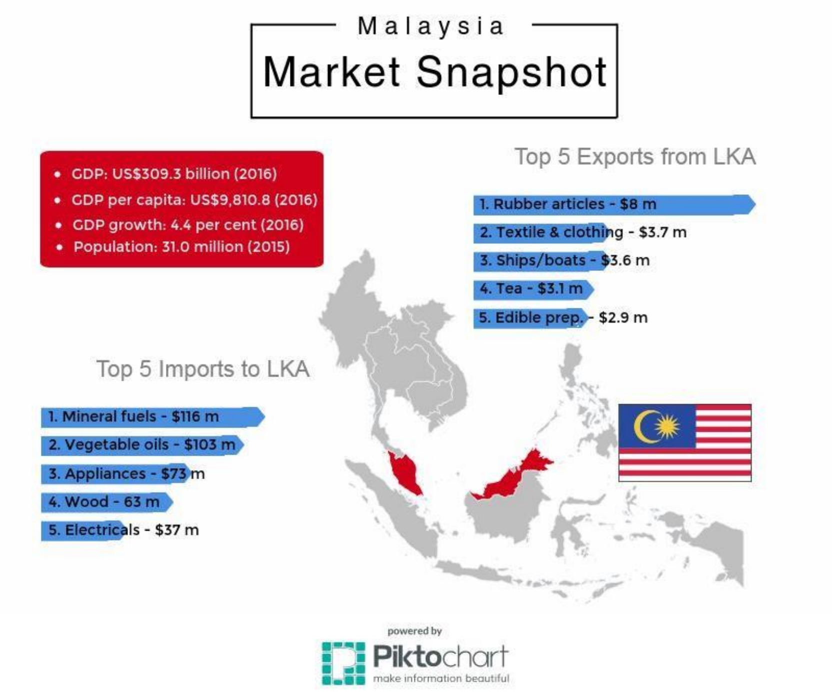
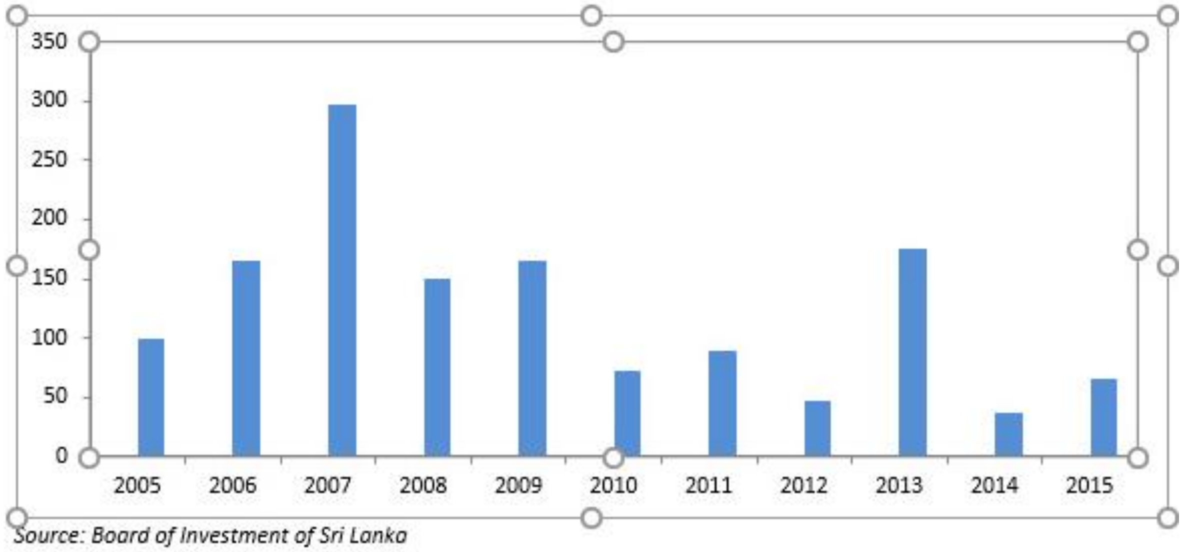


Figure 2: FDI inflows from Malaysia to Sri Lanka, US$ Mn.



Source: Board of Investment of Sri Lanka

Need for a Feasibility Study

A FTA will make it easier for Sri Lankan goods to gain a foothold in the Malaysian market by lowering tariffs that Malaysia imposes on imports from Sri Lanka. This will help make Sri Lankan businesses more competitive in Malaysia. A FTA will also lower the cost of Malaysian products for Sri Lankan consumers and businesses. A comprehensive FTA will give service providers better access to both markets and reduce a number of other barriers to trade in services and investment flows.

In this context, Sri Lanka and Malaysia have decided to undertake a joint feasibility study to explore the potential for FTA. Preliminary estimates suggest that likely gains from bilateral trade liberalization in goods will be limited to few products but there might be gains from other areas of cooperation, namely in investment flows to Sri Lanka. Moreover, a FTA with Malaysia in addition to a FTA with Singapore, which is under negotiation, will help to step up Sri Lanka's relationship with ASEAN and to explore opportunities for greater economic engagement with South-east Asia.

Source: lankabusinessonline.com- Jan 05, 2018

HOME

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US Denim Imports Continue to Shift in Favor of Low Cost Countries

U.S. denim imports overall fell in the year to October 2017, and the market share map continues to shift.

Total imports of denim trousers across categories were down 2.51% for the period, putting the market at $2.94 billion in value, with the men's and boy's category dipping more than triple the less than 1 percent decline in women's and girl's.

China remains the United States' largest supplier of denim trousers, though it's share continues to slip. The Asian powerhouse commanded 25 percent of market share across the categories as of October with $738.9 million worth of exports to the U.S., though that number is down nearly 12 percent year-over-year.

Mexico ranks as the second largest supplier of denim trousers to the U.S., delivering $666.4 million worth of product—a 22.6% share of the market.

Bangladesh is currently the third largest supplier of denim trousers to the U.S., and it's share of the market, which currently stands at 14.1% seems to be continuously on an upswing. The country exported $416 million worth of denim trousers to the U.S. in the year to October.

Rounding out the United States' top suppliers of denim trousers, in order of import value and market share, are Pakistan, Vietnam, Egypt, Nicaragua, Indonesia, Cambodia and Lesotho.

Looking at the categories more closely, the U.S. imported $1.84 billion worth of men's and boy's denim trousers in the year to October, accounting for 62 percent of total denim trouser imports.

In the male category, Mexico was the top supplier, though the $703.9 million worth of products it shipped to the U.S. came in nearly 9 percent lower than the prior year period. Bangladesh and China followed as the No. 2 and No. 3 suppliers in men's and boy's.

In women's and girl's, China still leads the charge in manufacturing, with nearly 39 percent market share and $637.2 million worth of denim trousers making their way into the U.S. as of October.

That number, however, was still down more than 7 percent from the prior year period. Bangladesh and Vietnam ranked second and third among the U.S. top suppliers, and both countries saw their exports grow—for Vietnam, the $130.1 million worth of denim trousers it exported to the U.S. marked a 10 percent growth over the previous year.

The shift in markets points to the trend in brands moving to lower-cost markets, and though the premium denim market is thriving, it still has a minimal footprint in the greater denim industry.

Source: sourcingjournalonline.com- Jan 04, 2018

HOME

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Turkey becomes 8th largest yarn exporter globally

World yarn exports fell by 4.8% in 2016 to US$ 45 billion. It is observed that 22% of them come from China alone, which makes US$ 10 billion worth of world yarn exports.

India ranks second with 11.1% share, with US$ 5 billion. With a share of 6.7% in world yarn exports, the third country that exports the most is Vietnam with an export value of US$3 billion. Turkey is in the eighth place, with US$ 1.6 billion export value in world yarn exports, which were made to 153 countries in 2016.

WORLD'S YARN EXPORT BY COUNTRIES		
	2016 Export (x1000 USD)	**2016 Share**
China	10,046,480	22,2%
India	5,015,964	11,1%
Vietnam	3,014,588	6,7%
USA	2,925,851	6,5%
Indonesia	2,219,375	4,9%
Italy	2,035,428	4,5%
Hong Kong	1,841,387	4,1%
Turkey	**1,629,996**	**3,6%**

Turkey's yarn exports in 2016

The country's exports increased by 1.7%, compared to the year 2015. Also, in 2016, the share of yarn exports in textiles exports increased to 16.7% from the previous turnover. Italy, Belgium, the UK and Iran are observed to be the countries with the highest exports of yarn in 2016, when Turkey is handled on the basis of yarn exporting countries.

TURKEY'S YARN EXPORT BY YEARS		
2012	1,640,861	-2,5%
2013	1,741,064	+6,1%
2014	1,783,672	+2,4%
2015	1,608,776	-9,8%
2016	1,629,996	+1,7%

In 2016, yarn exports to Italy declined by 1.8% compared to 2015 and were worth around US$ 198 million. Belgium, which was the second largest market for yarn exports in 2016, increased by 2.2%, while the share of the country in total yarn exports was 7.5%. The UK is the third largest export market for yarn in 2016, while exports to the UK declined by 6.9% to US$ 120 million.

Turkey's other major yarn markets included Iran, with exports rising by 52.6% to about US$ 96 million, exports to the Netherlands increased by 9.6% to US$ 94 million, exports to Portugal fell by 12.8% to US$ 85 million and exports to Germany amounted to about US$ 80 million, an increase of 1.4%.

TURKEY'S YARN EXPORT BY TOP 10 COUNTRIES		
	2006 Export (x1000 USD)	**Share**
Italy	197,636	12,1%
Belgium	123,036	7,5%
U.K.	119,603	7,3%
Iran	95,842	5,9%
The Netherlands	94,101	5,8%
Portugal	85,502	5,2%
Germany	79,847	4,9%
Bulgaria	73,435	4,5%
USA	67,742	4,1%
Egypt	59,762	3,7%
Sub total	*996,506*	*61%*
G. Total	**1,629,996**	**100%**

Bulgaria, the US, Egypt, Poland, Spain and Brazil were other important yarn export markets. Exports by major product groups of yarn from Turkey were divided into synthetic yarn from artificial filaments, yarn from synthetic artificial staple fibres, cotton yarn, wool and animal hair, cellulosic fibre yarns and silk yarn.

The most exported yarn product group in Turkey is synthetic filament fibre yarn, with the export value of US$ 605 million and a tension of 1.5%, compared to 2015. The share of the related product group in total yarn exports is 37%.

TURKEY'S YARN EXPORT BY PRODUCT GROUPS		
Products	**2016 Export (x1000 USD)**	**Share**
Synthetic yarn from artificial filament yarns	605,574	37%
Synthetic artificial staple fibres	539,892	33%
Cotton Yarns	454,502	27,8%
Sub Total	1,599,968	98%
Total Yarn Export	1,629,996	1,7

Another group of yarn products most commonly exported from Turkey are synthetic yarns from artificial staple fibres. Their export value reached around US$ 540 million in 2016, and the export rate increased by 11.2%, compared to the previous turnover. Their share in Turkey's yarn exports is 33%.

Statistics on yarn exports, as well as annual changes and share of 2015-2016 product groups by major product groups, are given in the table below. Cotton yarn exports, the third most exported product group in Turkey, declined by 2.6% to US$ 454 million in 2016. The share of cotton yarn in Turkish yarn exports has been calculated at 27.8%.

Turkey's yarn import

Turkey is also one of the world's leading yarn importers. In 2016, Turkey imported US$3 billion worth of yarn from 93 countries – a 5% increase, compared to 2015. China, India, Indonesia, Bangladesh and Vietnam are observed as the countries with the highest number of yarn imports in 2016.

The share of yarn imports in general textiles imports is 36.2%. Looking at the share of textiles imports from 2012 to 2016, it can be seen that the share of yarn imports is increasing at a rate between 31.6% and 36.2%. The share of nominal yarn imports, which was calculated at 33.2%, with imports of US$2.9 billion in 2012, rose to 36.2% at the end of 2016.

In 2013, Turkey imported about US$ 3 billion worth of spinning products, while imports reached US$ 3.2 billion in 2014 and declined by 10.5% in 2015 to about US$ 2.9 billion. In 2016, imports rose by 5%, exceeding US$ 3 billion.

The country with the highest yarn imports in 2016 is China with a share of 22.5%, which is about US$ 682 million worth of imports and total yarn imports.

China's imports of yarn have increased by 17%, compared to 2015. India is the second country with the largest number of yarn imports. India's imports totalled US$ 552 million in 2016, while India's share in Turkey's total yarn imports was 18.2%.

Turkey's third largest supplier of knitted fabrics – Indonesia – imported yarn worth US$ 322 million in 2016, an increase of 4.4%. Indonesia's share in total yarn imports was calculated as 10.6%.

Bangladesh is Turkey's fourth largest supplier of yarn, with imports falling by 2.3% in 2016, worth about US$ 196 million. Bangladesh's share in total yarn imports in Turkey is 6.5%. Vietnam is the country's fifth-largest supplier of yarn, with imports worth US$ 171 million in 2016, with an increase of 3.2%.

The major product groups in Turkey's yarn import are synthetic filament yarn, synthetic staple fibre yarn, cotton yarn, vegetable fibre yarn, wool and fine/coarse animal hair, and silk yarn.

In 2016, the largest group of imported products was synthetic filament yarn with an import value of around US$ 1.7 billion. By 2015, imports of the related product group increased by 5.2%. In Turkey's yarn imports, the share of synthetic filament yarn was calculated as 55.3%.

Another major group Turkey's yarn import is synthetic staple fibre yarn. Their import value in 2016 was around US$ 591 million, with an increase of 0.9%, compared to 2015.

The share of synthetic staple fibre yarn in Turkey's yarn imports is 19.5%. Cotton yarn imports increased by 19.9% in 2016 to US$ 512 million. The share of Turkish yarn import in this product group is 16.9%.

Source: knittingindustry.com- Jan 04, 2018

HOME

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Cotton Australia Urges Growers To Check Their Crops For Damage

Cotton growers in north-west NSW are blaming off-target spray drift for “complete crop loss”.

About 5000 hectares of cotton growing on more than 10 farms in the district bounded by Burren Junction, Rowena and Walgett are reported to have been damaged.

But the figures may rise after all growers check their crops on the advice of Cotton Australia.

On Wednesday Walgett Cotton Growers’ Association (CGA) called an emergency meeting for Thursday evening at the Walgett Sporting Club to discuss the “impact of spray drift and agronomic strategies to recover damaged cotton crops”.

Walgett CGA vice chairman Bernie Bierhoff fears the damage could be “devastating” for some growers.

“Spray drift damage is a terrible blow for the affected cotton growers, who are already struggling with limited access to water for irrigation this season,” he said.

“While it is still early days, the information we have to date suggests more than 5000 hectares of cotton has been affected by off-target spray drift in the days leading up to December 25.

“Although the drift has caused varying degrees of severity, some growers believe they are facing complete crop loss, which would simply be devastating for them.”

While it is still early days, the information we have to date suggests more than 5000 hectares of cotton has been affected by off-target spray drift in the days leading up to December 25.

Walgett Cotton Growers' Association vice chairman Bernie Bierhoff

Cotton Australia's northern NSW regional manager Paul Sloman said the "affected crop area may be higher" once all growers in the district inspected their fields.

"We are encouraging growers to inspect their fields and report any damage to the relevant regulatory authorities," he said.

"In NSW, reports should be made to the NSW Environment Protection Authority (EPA) hotline on 131 555."

Representatives of Cotton Australia, the NSW Department of Primary Industries and other industry organisations inspected damaged cotton ahead of the emergency meeting.

Mr Sloman said it was imperative that all agricultural industries worked together, and farmers individually worked with their neighbours, in a bid to combat off-target spray drift.

Source: commoditiescontrol.com- Jan 04, 2018

HOME

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Kenya in talks with China, Brazil, Turkey for textile hubs

Talks are under way between textile firms from China, Turkey and Brazil and the Kenyan Government to roll out investments to set up value addition hubs in the latter's cotton industry, according to the Kenyan agriculture ministry.

Members of the Kenya Chinese Chamber of Commerce are, for instance, expected to set up textile factories to boost value addition.

Chamber vice chairman William Zhuo said its members are familiarising themselves with the industry value chain and are building partnerships with other actors such as the learning institutions.

Brazil is working on logistics to start producing high-yielding cotton varieties in Kisumu and Homa Bay counties, besides training and initiating classification laboratories, according to interim head of Kenya's Fibre Crops Directorate Anthony Muriithi.

Turkish firm HoneyDeco is also reportedly planning to build factories and introduce high-yielding seed varieties in Kenya.

The firm has carried out a test on the new seeds, which have since been presented to the Kenya Plant Health Inspectorate Service for registration, according to a report in an African business daily.

Source: fibre2fashion.com- Jan 05, 2018

HOME

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Brazil's cotton output up 18.6% to 1.5mn tons in 2016-17

Brazil's cotton output in the 2016-17 season increased 18.6 per cent year-on-year to 1.529 million tons, pushed up by the 20.6 per cent increase in the average productivity, since area under the crop decreased 1.7 per cent to 939,100 hectares. The weather favoured crop development during the growing season, but hampered the harvesting season.

Domestic textile consumption increased by 5 per cent to 690,000 in the 2016-17 season, due to the recovery of textile companies, according to data from Conab (National Company for Food Supply). Despite the higher production, the domestic surplus increased compared to the 2015-16 season.

Meanwhile, from January to November 2017, Brazil exported 695,400 tons of cotton, which is 5.1 per cent lower than the amount shipped in the same period last year, according to data from the Secretariat of Foreign Trade (Secex). Although the volume decreased compared to the previous year, exportations were above the sector's expectations.

The decrease in volume of export was owing to lower quantity shipped in the first semester, which was due to lower production in 2016. During June to November 2017, Brazil exported 558,000 tons of cotton, registering 37 per cent growth compared to the same period of the previous season.

Cotton imports during first eleven months of 2017 stood at 33,600 tons, showing an increase of 45 per cent compared to the same period of the previous year. Of this, 32,000 tons were bought in the first semester.

Thus, mainly in the second semester, firm cotton exports balanced supply and demand in the Brazilian market. This limited the drops in average prices, although production was higher in 2016-17, the Center for Advanced Studies on Applied Economics (CEPEA) said.

In 2017, the CEPEA/ESALQ cotton Index dropped only 3.07 per cent. The average price during the year was 2.6105 BRL per pound, only 1.5 per cent higher than in 2016.

Source: fibre2fashion.com- Jan 05, 2018

HOME

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Global cotton consumption to increase according to International Cotton Advisory Committee

The International Cotton Advisory Committee, Washington, D.C., announced recently it expects global cotton consumption to increase in the coming year.

Recovery continues in cotton production for 2017-2018, according to the ICAC, which projects an 11 percent growth to about 25.4 million tons due to increased area put into production.

Production in just the United States for the current season is expected to increase 25 percent to 4.7 million tons.

India, according to the report, will remain the world's largest cotton producer, with 2017-2018 production expected to reach 6.2 million tons. China will come in second, with 5.2 million tons of production.

Pakistan is predicted to increase 11.5 percent, to 1.9 million tons, while Turkey is predicted to increase its production 18 percent to 829,000 tons. Other major cotton countries are expected to have positive growth attributed to increased production area and harvested yields.

Meanwhile, international cotton prices have moved upward over the last few months that the season has been underway, according to the ICAC.

“From the season low of 77 cents per pound at the start of season, prices are at a season high at the end of this calendar year up to 88 cents per pound,” the report stated. “The current season average of 80 cents per pound is lower than the 2016/17 average of 83 cents per pound.”

Global consumption, according to the ICAC, is expected to grow with a lower international price from the previous season and the rising price of competing fibers. After stagnating in 2016-2017, global cotton demand is expected to increase 3 percent in 2017-2018 to 25.2 million tons.

Chinese mill use is expected to remain stable at 8.1 million tons, while India and Pakistan are expected to increase 3 percent and 4 percent respectively, according to the report.

Consumption in Vietnam is expected to grow 12 percent to 1.3 million tons. Moderate growth of 2 to 3 percent is expected for other major consuming countries of Bangladesh, Turkey and the United States, according to the report.

Source: hpj.com- Jan 05, 2018

HOME

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NATIONAL NEWS

The India-ASEAN Partnership at 25

India and the 10-member Association of South East Asian Nations (ASEAN) are currently celebrating 25 years of their rapidly expanding partnership. They are also marking 15 years of their Summit engagement and five years of Strategic their Partnership. Several events are being held in India and various ASEAN countries to mark these milestones. In addition, ASEAN completed 50 years of its establishment in 2017.

To mark the 25th anniversary of the partnership, all 10 Heads of States/Governments of ASEAN States will participate as Chief Guests in the Republic Day celebrations on 26 January 2018. This is for the first time that more than one Head of State/Government has been invited as Chief Guest on India's National Day.

It is also a measure of India's growing international profile and prestige that leaders of all 10 ASEAN countries have readily acquiesced to participate in this event. The presence of the entire ASEAN leadership on this occasion is a natural extrapolation of the Act East Policy (AEP) launched by Prime Minister Narendra Modi at the first East Asia Summit (EAS) attended by him in Myanmar in November 2014.

Act East Policy

AEP is the successor to the Look East Policy (LEP) that was put in place by then Prime Minister Narasimha Rao in 1992 under radically different geo-political and economic circumstances. LEP was primarily focused on strengthening economic ties between India and ASEAN states.

The end of the cold war and disintegration of the Soviet Union in 1991 provided a welcome opportunity for India to reach out to South-East Asia to capitalize upon its historical, cultural and civilisational linkages with the region. As External Affairs Minister Sushma Swaraj said at the recently held ninth edition of the Delhi Dialogue, India's age old ties with South-East Asia have been established through culture, trade and religion and not through "conquest and colonization."

The Look East Policy registered impressive gains for 20 years after its inception. Having become a sectoral partner of ASEAN in 1992, India became a dialogue partner and member of the ASEAN Regional Forum (ARF) in 1996. India and ASEAN entered into a summit partnership in 2002, the 10th anniversary of LEP, and launched negotiations for a Free Trade Agreement (FTA) in goods in 2003. These discussions culminated in a bilateral deal being concluded in 2009 and becoming effective in 2010.

Bilateral trade and investment showed impressive gains in the first decade of this century. While bilateral trade increased from USD 2 billion in 1992 to 12 billion in 2002, registering a growth of 12 per cent annually, it zoomed to 72 billion in 2012 with a cumulative annual growth rate of around 22 per cent over the preceding 10 years. India's two-way trade with ASEAN now stands at approximately USD 76 billion. India and ASEAN missed out on achieving the two-way trade target of USD 100 billion set during the Commemorative Summit held on the 20th Anniversary of the bilateral partnership in 2012 in New Delhi.

The India-ASEAN Free Trade pact in services and investments, which was concluded in 2014 and came into effect a year later, has the potential to reduce India's trade deficit with the region as also impart a strong impulse to bilateral exchanges. India is also a part of the ASEAN-led Regional Comprehensive Economic Partnership (RCEP), which, when concluded and implemented, will cover almost 40 per cent of the world's population, 33 per cent of global GDP and 40 per cent of world trade.

India and ASEAN are natural partners in their desire to create a free, open and inclusive regional architecture. They are active participants in the East Asia Summit (EAS), ASEAN Regional Forum (ARF), ASEAN Defence Ministers Meeting Plus (ADMM-Plus), and the Expanded ASEAN Maritime Forum (EAMF).

Currently, there exist 30 different dialogue mechanisms between India and the ASEAN states focusing on a range of sectors. These comprise an annual Summit and seven Ministerial meetings focused on a variety of areas that include foreign affairs, economy, environment, tourism, etc. The ASEAN-India Centre (AIC), established in 2013, has enhanced the strategic partnership by concentrating on policy research and recommendations as well as organising meetings between think-tanks and similar institutions in India and ASEAN countries.

AIC seeks to bridge the existing information divide amongst the people of the two regions. Exchange programmes have been put in place for frequent interaction between students, senior officials, diplomats, academics, media professionals, etc.

Challenges and Opportunities

Common concerns and aspirations as well as similar threats and challenges confront the ASEAN countries and India at a time when not only Asia but the whole world is in the throes of an uncertain and unpredictable phase. Developments over the next few months and years could determine the final contours of relations in Asia and the world.

Connectivity between India and ASEAN, particularly Myanmar and Thailand, has emerged as a significant element in cementing bonds between the two regions. Better infrastructure connecting Northeast India and ASEAN has become the sine qua non for stronger economic and trade partnership and vital contributor to prosperity and economic development of the region.

Two major connectivity projects, viz., the Trilateral Highway between north-east India and Myanmar and onwards to Thailand (and Laos and Vietnam) as well as the Kaladan multi-modal transit and transport project, have been under implementation for several years. The NDA government has taken it up seriously. It is highly likely that both will soon become operational. The allocation of USD 1 billion by Prime Minister Modi during his visit to Malaysia in September 2015 to support connectivity projects is testimony to the importance that the government attaches to rapidly developing infrastructure and bring the regions closer.

Stronger relations between India and Myanmar have also helped to quell insurgency and extremism in the north-eastern states of India. Peace, stability and security of north-east India will be further preserved and promoted with more robust ties and understanding with Myanmar. India has recognized that the success of the AEP will be determined by its contribution to security and economic development of Northeast India.

Relations with ASEAN have become multi-faceted to encompass security, connectivity, strategic, political, space technology, counter-terrorism and anti-insurgency operations, anti-radicalisation, trade and investment, maritime security and defence collaboration, in addition to economic ties. Cooperation to curb terrorism especially in the face of the rising influence of the Islamic State has assumed priority. Defence partnerships with several ASEAN states are advancing rapidly.

The large Indian diasporas in many Southeast Asian countries help strengthen diplomatic, economic and security relations between India and ASEAN as they contribute to expand and intensify bonds. The Indian diaspora comprises an important instrument of India's soft power.

ASEAN continues to form the central pillar of India's Act East Policy. This is evident from the very active exchange of visits that has taken place between India and the region. Prime Minister Modi has travelled to Singapore twice, once to attend the State funeral of Singapore's first Prime Minister Lee Kuan Yew in March 2015, and again to mark the 50th anniversary of the establishment of bilateral relations and establish a strategic partnership in November 2015; to Myanmar twice, once to participate in the East Asia Summit (EAS) and the India-ASEAN Summit in November 2014, and again on the way back from China in September 2017; to Malaysia in November 2015 for a bilateral visit as well as to attend the EAS and the India ASEAN Summit; to Laos in September 2016 for the EAS and India ASEAN Summit; to Vietnam on a bilateral visit en route to China in September 2016; and, to the Philippines to participate in EAS and India-ASEAN Summit in November 2017. He also made a short stopover in Thailand on his way to Japan in November 2016 to pay respect to the venerable, departed king Bhumibol Adulyadej. Visits from India have been reciprocated by high level visits from ASEAN States to India. Relations, which were earlier seen as lackadaisical, are again assuming renewed vigour.

India, ASEAN, and the Chinese Conundrum

In a rapidly evolving geo-political scenario marked by China's assertive military, political and economic rise, the AEP has imparted greater dynamism to India's ties with ASEAN.

The issue of ownership, control, use and exploitation of oil, gas, mineral and fisheries resources in the South China Sea has emerged as a major dispute between China and several ASEAN countries like Vietnam, Philippines, Brunei and Malaysia. This is an issue that has divided ASEAN down the middle. There is no unanimity amongst them on how to deal with China on this issue. India is concerned because more than 40 per cent of its trade passes through the South China Sea. It is also interested in harnessing fossil fuel resources in the region for meeting its energy needs. ONGC Videsh Limited (OVL) entered into an agreement with Vietnam to prospect in oil blocks 127 and 128 off the Paracel islands which fall within the Exclusive Economic Zone of Vietnam.

In all recent discussions in regional and international fora, India and several other countries have supported freedom of navigation, ensuring maritime security, expeditious resolution of disputes according to provisions of international law, viz., the UN Convention on the Law of the Seas 1982, developing a Code of Conduct, and settlement of disputes through dialogue and peaceful means.

China's increasing intemperance and intractability over the last many years has added to the anxieties and concerns of countries in South East Asia and beyond. They want India to play a more active countervailing role in the region. This interest and desire on the part of these countries meshes flawlessly with the efforts by India to pro-actively reach out to countries of the region for mutually beneficial engagements.

India – U.S. Partnership in the Region

Relations between India and USA have progressed and grown in recent years. A strong impetus was provided by President Obama's visit to India as the Chief Guest at its Republic Day function in 2015 and the issuance of a Joint Strategic Vision for the Asia Pacific and Indian Ocean Region. This partnership was given a further fillip during the visit of US President Trump to East and Southeast Asia in November 2017.

Trump's consistent use of the expression "Indo-Pacific" throughout his visit, instead of the more commonly used "Asia Pacific" to signify that India is a significant player in the region and will need to be included in all discussions and decisions on peace and security of the region, sent out a clear message about the common position held by India and USA regarding developments in the region. It also signalled that the USA and India will partner each other to promote a free and inclusive Indo-Pacific region. A meeting of the Quad (USA, Japan, Australia and India) at the level of officials also gave a strong indication of the interest of these countries in working together to ensure a free, open, inclusive and prosperous region.

Conclusion

India and ASEAN account for about 30 per cent of the global population (i.e., 1.85 billion people) and a combined GDP of approximately USD 5.1 trillion. Together, they would form the third largest economy in the world. Given their combined clout, it is but natural for them to expand their areas of collaboration particularly in view of the rapidly changing and uncertain global and regional scenario.

Originally conceived as an economic initiative in 1991, this engagement has evolved in terms of geographical expanse and sectoral reach across the three pillars of politico-security, economic and socio-cultural cooperation. Besides geographical proximity, historical commonalities, cultural affinities and commercial interests, India's AEP has been driven by geo-strategic concerns as well.

The promotion of India's geostrategic interests in the Indo-Pacific region depend on India's bilateral and multilateral/regional engagements with the countries in the region. It is hence essential to strengthen collaboration with ASEAN as an organisation as well as with individual Southeast Asian countries.

Despite progress made over the last 25 years in India-ASEAN ties, there remains immense scope for further growth in the relationship. This is one of the most dynamic regions of the world today, and it is necessary for both India and ASEAN to actively collaborate to shape the so-called 'Asian century'.

A stronger partnership and enhanced cooperation should be prioritised by both sides if the full potential of this engagement is to be realised.

Source: idsa.in- Jan 04, 2018

HOME

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South Korea wants more tariff lines to go as part of trade pact upgrade

South Korea wants elimination of import tariffs on a larger number of items it trades with India as part of the upgrading process of the comprehensive economic partnership agreement (CEPA) between the two.

India, however, is not too keen to take on substantial increase in commitments as the pact has not benefited the Indian industry much.

“At a recent meeting for upgrading of CEPA in New Delhi, both sides discussed the items where they want the other side to lower duties. South Korea is more interested on the upgradation.

India, on the other hand, would prefer to take on greater commitments as part of the Regional Comprehensive Economic Partnership being negotiated between 16 countries including the ASEAN, where both the countries are members,” a government official told *BusinessLine*.

“It might be that the South Koreans are unsure about when the RCEP would finally be signed and implemented. They think that getting larger market access in India through a bilateral treaty is a safer bet,” the official added.

The items where South Korea wants India to lower or eliminate duties including a variety of chemicals, steel products, beauty products, agriculture products and consumer durables. India is interested in sectors such as IT, education, agricultural products and health care.

Industry pressure

India is a wary about opening its markets further under the CEPA with South Korea, which was implemented in 2010, as the Indian industry has been at the receiving end of the pact over the last few years.

In 2015-16, South Korea’s imports from India dropped sharply by 23.5 per cent to $3.4 billion, which was lower than the level of exports in 2012-13. While India’s exports to the country recovered in 2016-17, at $4.24 billion it is at the same level as in 2012-13.

“Since New Delhi is already negotiating an ambitious trade pact with RCEP members, which includes South Korea, it does not see much point in giving more market access to the country bilaterally. It will probably agree to very low level of upgrade,” the official said.

Interestingly, because of South Korea’s push, four rounds of meeting for CEPA upgrading have already taken place over the last four months.

Under the India-South Korea CEPA, Korea will phase out or reduce tariffs on 90 per cent of Indian exports while India would phase out or cut tariffs on 85 per cent of Korean exports.

Source: thehindubusinessline.com- Jan 04, 2018

HOME

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Apparel and textiles park to come up near Patna: Sushil Modi

An apparel and textiles park will be set up on the outskirts of the state capital for which a land tract spread over more than 100 acres has been earmarked, Bihar Deputy Chief Minister Sushil Kumar Modi said here today.

Speaking after the inauguration of a three-day fair organized by the Bihar Readymade Garments Association, Sushil Modi said 115 acres of land have been earmarked in Bihta for the proposed park.

The park will be set up as part of the state government's policy to promote textiles, leather, Information Technology and food processing, he said.

The Deputy CM, who also holds the finance portfolio, said a number of incentives were being offered to those willing to invest in the state which include exemption from land registration and conversion fees and a 10 per cent grant on interest payable on bank loans.

"Also on offer are 100 per cent refund on SGST (state goods and services tax), 50 per cent assistance on the amount payable towards EPF and ESI and a skill development subsidy of Rs 20,000 per employee from Bihar", he said.

The Deputy CM appealed to readymade garment producers to invest in Bihar, stating that the sector had immense potential for job creation and pointing out that 90 per cent workers employed in the sector at places like Mumbai and Bengaluru hail from the state. "Patna, too, can be developed as a readymade garments hub", Modi observed.

Source: businessworld.in- Jan 04, 2018

HOME

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Commerce Ministry prepares agenda for Asean

The commerce ministry is working overtime to chalk out its agenda ahead of the visit of the leaders of 10 Asean countries as chief guests for the Republic Day. According to sources, India-Myanmar-Thailand trilateral highway and the Dawei sea project will be the top agenda during the talks.

“This is part of the government’s Act East Policy. From our part, Regional Comprehensive Economic Partnership (RCEP) will be an important area of discussion.

The progress is very slow in this regard. We need a greater market access in service in this region and the response had been very lukewarm,” said a senior official from the ministry.

RCEP is a mega-regional free trade agreement that involves the 10-member Asean bloc and its six FTA partners -- India, China, Japan, South Korea, Australia and New Zealand. However, sources say there’s not much progress in this regard and India’s demand for ease of norms on the movement of professionals has got a cold response from these countries. In response, India was reluctant to open up its market for traded goods.

The proposed India-Myanmar-Thailand trilateral highway is expected to help in connecting South Asia with Southeast Asia. “India is also seeking a link to Dawai port,” said the commerce ministry official.

Myanmar and Thailand are jointly developing a deep-sea port and special economic zone at Dawai, a port city in Myanmar with investment of $8 billion. India is seeking to connect the port with Chennai, which, if implemented, will give a major boost to India’s trade to Southeast Asia.

Another area of concern is the sharp drop in exports of agricultural products, which faced high import tariffs and barriers.

India will raise the issue of quality norms of imports of processed food from ASEAN countries. "These issues were already raised by trade representatives of agriculture and food processing sector," the official added.

Asean comprising Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam completed 50 years of its formation in 2017 and 25 years of partnership with India.

Source: newindianexpress.com- Jan 03, 2018

HOME

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How the e-commerce sector performed in 2017

The Indian e-commerce industry is riding a rapid growth wave and its effects in the past one year alone have been huge. In 2017, we saw the entry of global giant Alibaba, the launch of PayTm Mall and a slew of app first e-commerce brands. Meanwhile, the draught in funding forced many brands to shift focus from driving GMV to revenue growth & profitability.

Moreover, terms like Artificial Intelligence and Machine Learning came into the fray, and are all set to become the new normal. It's been a whirlwind of a year for Indian e-commerce! So, I decided to sum up the performance of the Indian e-commerce industry in 2017.

Surge in wallet usage

The cash-crunch caused by demonetization forced a surge in cashless methods like mobile wallets, debit/credit cards and net banking. According to a survey by CashKaro.com, almost 50% respondents switched from cash on delivery to digital payments, mobile wallets reaped colossal benefits.

According to Business Insider, wallet payments forerunner PayTm witnessed transactions worth 120 crore per day only 12 days post demonetization. Today digital payments have become an essential part of urban India's day-to-day life; fast spreading to the rest of the country.

The rise of niche stores

Online shopping portals like MamaEarth, TeaFloor and Coolwinks grabbed a sizeable chunk of the market. Sitting on a higher rung on the e-commerce giant chain, Nykaa, Myntra, FirstCry, UrbanLadder and LensKart launched brick & mortar stores becoming 'Omni-channel' retailers. Meanwhile, Flipkart, went on an acquisition spree adding fashion portals Jabong and Myntra to its kitty.

Mobile takes center-stage

In 2016, with the advent of 4G and lower subscription costs, mobile phones became the preferred device for shopping. As of 2017, mobile and internet penetration is such that one out of three people in tier I and II cities use their smartphones to shop online. In 2017, 82% of shopping queries were made through mobile devices, compared to 76% in 2016, according to a study by Assocham and Deloitte.

Secure payment gateways, availability of alternate payment methods and offers on mobile payments have all contributed to this increase in mobile e-commerce. As internet and smartphone adoption continues to rise across the country, use of mobile as an online shopping platform is expected to cross $50 billion in value by the end of 2018 from the current level of $38.5 billion.

Growth of artificial intelligence

Technological advancements in machine learning made it possible for the e-commerce industry to adopt artificial intelligence (AI). AI has majorly affected customer service for e-commerce, bringing companies closer to consumers than ever before.

E-commerce portals are using chat bots to personalize experiences while acquiring insights about consumer behavior. Major players such as Flipkart and Amazon aim to use AI for product recommendations and enhanced user experience.

As we walk into a more tech-centric era, we can expect these trends to snowball further. Combining trends from 2017 and predictions for 2018, its full steam ahead for e-commerce and I can't wait to see what 2018 has in store.

Source: economictimes.com- Jan 04, 2018

HOME

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Seed body faults Monsanto for bollworm resistance

The National Seed Association of India, which represents the majority of the cotton seed companies in the country, has blamed Mahyco Monsanto and Monsanto India for widespread resistance developed by pink bollworm to Bollgard-II, the second-generation genetically modified cotton seed technology.

The association has threatened to stop selling the seeds developed with BG-II technology if the two Monsanto firms do not vouch for the efficacy of the second gene (which gave in to pink bollworm). It asks the firms to own up to the failure and compensate farmers.

The association wrote a separate letter to the Agriculture Ministry disowning any responsibility for the efficacy of the trait (the second gene) that was meant to tackle the pink bollworm. “It (the company) collects the trait value from the farmers through us. It is their responsibility,” it said.

Pink bollworm, which showed signs of resistance to technology, turned virulent this kharif, causing extensive damage to cotton crop in several States.

The incidence was so high that the Telangana government asked farmers to remove the plants after the second pick (of cotton bolls) so that the fields would be free of pink bollworm for the next season.

“You went on to promote the usage of hybrids with the two gene trait (Bollgard-II) even after CICR confirmed incidence of resistance,” Kalyan B Goswami, Director-General of NSAI, said in the letter.

NSAI members wanted to go back to the single gene (Cry1Ac) GM seed (which entails no royalty fee) that can take care of other bollworms like American and spotted bollworms.

MMBL response

MMBL, which licences Monsanto's GM cotton technologies to seed firms in India, denied the allegation that it had not addressed the resistance. "We had, as early as in September 2015, informed the Genetic Engineering Appraisal Committee (GEAC) of the high level of tolerance to Cry2Ab protein," an MMBL spokesperson said.

The firm blamed non-adherence to recommendations on Insect Resistance Management (IRM) practices for the development of the resistance.

"We asked seed companies in February 2016 and in March 2017 to advice farmers about the importance of following the prescribed guidelines," he said.

It is understood that the firm is in the process of giving a point-by-point rebuttal to the issues raised by the NSAI.

Source: thehindubusinessline.com- Jan 05, 2018

HOME

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