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The Cotton Textiles Export Promotion Council [TEXPROCIL]
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400 004. Maharashtra State. INDIA
W. www.texprocil.org E. enews@texprocil.org T. +91-22-2363 2910 to 12 F. +91-22-2363 2914

IBTEX No. 26 of 2018 **February 05, 2018**

USD 64.06 | EUR 79.82 | GBP 90.46 | JPY 0.58

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19123	40000	**79.56**

Domestic Futures Price (Ex. Gin), February

Rs./Bale	Rs./Candy	USD Cent/lb
20160	42170	**83.87**

International Futures Price

NY ICE USD Cents/lb (March 2018)	77.50
ZCE Cotton: Yuan/MT (Jan 2018)	14,900
ZCE Cotton: USD Cents/lb	**91.21**
Cotlook A Index – Physical	**88.85**

Cotton guide: The week gone by was inferior for bulls in the market. The most active March future settled the week lower at 77.30 USCTS/LB down by 318 points from previous close. The December 18 contract though ended lower but just above 75 cents.

During the past week average daily volumes were higher close to 70K contracts however; the open interest which made a record high of 321K contract declined by around 18K contract to 303K contracts. The reduction in open interest and increase in volume may have been the mixture of selling by the speculators and fresh participants in the market.

On the spread front the March-May spread widened to highest spread during the two contract period and hit 1.31 cents amid higher trading volume. The rollover of positions from March to May has widened the spread.

On the technical front it has been mostly holding below 79 cents and currently trading near the lower trajectory of 77.50 cents.

We believe 77 cents is seen as strong support level as 50-day moving average support is being held for the four consecutive trading sessions. On break below 77 cents the trend may further move into bearish tone and fall towards 75.78 USCTS/LB. For today we expect the trading range would be 77 to 78 while for the near term/week the range would be 75.78 to 79 cents per pound.

On the domestic futures front in India, cotton for February moved down in the last week to settle at Rs. 20160 down by Rs. 450 per bale while it had made a weekly low of Rs. 19920 per bale. We believe market to remain sideways to lower.

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

Indicative Prices of Overseas Ring Spun Cotton Yarn in Chinese market:

Indicative Prices of Cotton Yarn in China Date: 04/02/2018 ***Prices in US$ FOB***		
Country	**20s Carded**	**30s Carded**
India	2.75	3.05
Indonesia	2.56	2.85
Pakistan	2.44	2.82
Turkey	3.15	3.35
Source: CCF Group		

China yarn

Cotton yarn and cotton/rayon yarn prices showed stable on the whole with some high-quality one rising. Polyester yarn offer tracked the fall of feedstock while polyester/cotton yarn price showed stable. Rayon yarn and polyester/rayon yarn mildly increased.

International yarn

The cotton yarn market has been relatively weak in reflection of the raw cotton market. In Pakistan, downstream manufacturers have moved to the sidelines in expectation of a further price drop. Export demand has also failed to improve. In China, cotton yarn imports declined modestly in December. The Uzbekistan government has published a decree intended to promote the organization of a series of cotton and textile clusters. Textile interests await India's 2018/19 budget proposals.

Source: CCF Group

NEWS CLIPPINGS

No	Topics
	INTERNATIONAL NEWS
1	Brazilian cotton prices start declining in late January
2	US: State cotton growers enjoyed productive, profitable 2017
3	National Chamber Seminar on 'Bilateral Trade between Sri Lanka and Bangladesh' this week
4	Is Cambodia's Economic Prosperity Over?
5	Pakistan: Cotton arrivals at ginning factories up by 7.51pc
6	Kenya fails to lift US trade in Agoa plans
	NATIONAL NEWS
1	Govt working on raising share of exports in GDP to 20%: Prabhu
2	Budget 2018: Why GST woes of exporters must be tackled urgently to improve trade
3	E-way bill mess: Goods stop on tracks, transporters wary of field officers
4	Survey corroborates textile sector's plea
5	Small and medium textile parks in Telangana proposed
6	Pan-India heritage walk festival kicks off
7	Garment makers may invest up to ₹800 crore in Solapur

INTERNATIONAL NEWS

Brazilian cotton prices start declining in late January

After a sharp increase in cotton prices observed in the first three weeks of January, prices took a negative turn in later part of the month in the Brazilian market. Center for Advanced Studies on Applied Economics-Luiz de Queiroz College of Agriculture (CEPEA/ESALQ) cotton index rose 3.34 per cent in January to close at 2.7536 BRL per pound on January 31.

“When prices were on the rise, processors were more active in the market, in order to replenish inventories and adjusting bidding to asking prices. Cotton growers, in turn, were attentive to the price rises at the New York Stock Exchange (ICE Futures), the delivery of the product purchased through contracts and new contracts for exportation in 2018 and 2019.

In the last week of January, however, with the international price drop, purchases ended up reducing bidding prices,” CEPEA said in its latest fortnightly report on the Brazilian cotton market.

Towards the end of the month, the pace of trades slowed down, and competition between agents and some buyers limited trades in the spot market. There were also reports of lower quality in several cotton batches. Some growers, who had already sold a great part of their output, went out of the market to focus on fieldwork.

For future shipment, the pace of trades was fast, both for the 2016-17 and the 2017-18 crops – some of them involved the 2018/19 season as well. Trades were based on fixed prices (flex), on contracts at ICE Futures and on the CEPEA/ESALQ Index. Despite the gap between bidding and asking prices for both seasons, some export deals were made.

Data from the BBM (Brazilian Commodity Exchange) tabulated by CEPEA indicate that 68.2 per cent of the 2016-17 Brazilian crop, estimated at 1.529 million tons, might have been traded until January 30.

Of this total, 59.1 per cent were sold to the domestic market, and 40.9 per cent to the international market.

For the next season, data indicate that at least 40.5 per cent of the 2017-18 production (forecast at 1.703 million tons) may have been traded in the same period, with 63.6 per cent allocated for exportation and 36.4 per cent for the domestic market.

In January, Cotlook A Index averaged 0.9128 BRL per pound, 7.24 per cent higher than in December 2017, while dollar dropped 2.52 per cent against real in the same period.

Source: fibre2fashion.com- Feb 05, 2018

HOME

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US: State cotton growers enjoyed productive, profitable 2017

The 2017 season was productive and profitable for South Carolina cotton growers and all indicators point to an even better 2018.

More than 500 growers, exhibitors, vendors and agriculture experts attended the South Carolina Cotton Growers' Annual Meeting at the Santee Conference Center on Jan. 23 to celebrate the successful season and share information for the upcoming season.

“South Carolina growers planted 250,000 aces in 2017, up by 60,000 from 2016,” said Dr. Nathan Smith, professor and extension economist with Clemson University. Moreover, authorities estimate the state’s average yield at 910 pounds per acre, which was also significantly better than 2016, he said.

Cotton prices finished stronger in 2017 than in recent years as well, averaging around 68 cents a pound. That represented a significant improvement over some recent years, when farmers struggled to break even on their cotton crops.

Experts attributed much of the increase in production to favorable weather conditions. Heavy rains in the spring provided a superb moisture base in the soil. Timely rains in the heart of the summer supported strong growth, while precipitation remained limited enough at harvest time so as not to interfere with growers gathering their crops.

While demand for cotton remained constant in the United States, overseas demand for high quality cotton continued to strengthen. China remains a leading importer of U.S. cotton. India reportedly cancelled several export contracts and was using more of the cotton produced there for domestic purposes. Mexico remains a top five importer of U.S. cotton.

Growers also continue to make significant strides in controlling pests. Perhaps the biggest success story involves the eradication of boll weevils, once the scourge of cotton production in the south.

“We have had a very successful eradication program,” said Drake Perrow, producer and consultant from Cameron. Perrow also serves as chairman of the South Carolina Boll Weevil Eradication Foundation. “We have not seen any boll weevils in this state or in any other state except Texas.”

“This program goes back to the 1970s, and we spent a lot of money back in the 1970s to get rid of this trouble,” he said.

Progress in combating boll worms and thrips continues as well, though much work remains to be done in those areas. Thrips are small flying insects that bore holes in plants and then suck out essential materials for nutrition, killing the plant in the process.

Smith and other economists expect positive growing trends to continue in 2018, as long as weather again proves favorable. International demand should continue to grow due to a variety of reasons. For example, the world’s ever-expanding population will continue to need more cotton products. Policy changes in China, one of the biggest importers of U.S. cotton, will create a bigger demand as well.

China stockpiled cotton a number of years, eventually building up a stockpile of more than 80 million surplus bales, even though they use approximately 15 million more bales than their country produces. China decided to auction off some of its surplus two years ago. Since then, it has reduced the excess supply it has in storage to around 45 million bales. The country plans to auction off another 10-15 million bales this year.

This reduction, combined with the increasing amount of cotton China needs for its textile operations, will result in more imports from the U.S. in the not-too-distant future. In fact, U.S. cotton futures for December 2018 currently point to cotton prices coming in around 25 cents a pound.

New varieties of cotton and more advancements in pest control will lead to increased U.S. production as well. The major agricultural research companies continue working to develop strains of cotton with longer and stronger fibers. Representatives of Bayer CropScience, Americot, Monsanto and Dow AgriScience informed those at the meeting in Santee about new cotton varieties for the Southeast.

New innovations in technology will improve cotton production techniques too. The use of drones will continue to expand for field mapping and crop monitoring. Researchers are looking into ways of using electrostatic charges to reduce plastic contamination in cotton mills. Researchers are even working on robots that will monitor crops from close range and, eventually, even handle some of the harvesting chores.

Dr. Joe Maja of Clemson's Edisto Research and Education Center in Blackville demonstrated a robot called CHAP (short for Computer Harvesting Autonomous Prototype) at the Santee Conference Center.

The South Carolina Department of Agriculture continues looking for opportunities to strengthen the market for cotton and other agricultural commodities produced in the state. "We want dollars to invest in rural South Carolina," S.C. Commissioner of Agriculture Hugh Weathers of Bowman said. His department has a vision of becoming "the department of commerce for rural South Carolina," Weathers said.

"We said, 'Put money in the department (of agriculture), and we'll find places where we think investments are needed in rural South Carolina so we can bring more marketing opportunities for farmers," he told the group.

Cotton growers and researchers face many other challenges.

"As far as the major challenges that Congress is facing in trying to get a new farm bill in place, the biggest one is the budget," said Reese Langley, vice president of the Washington, D.C., operations of the National Cotton Council. "How much funding is going to be available for the new farm bill and how to do the things that we need to be done. It's pretty apparent that there will not be any new budget resources provided by Congress.

"Two major needs exist. One, as you're all well aware, is trying to enhance cotton policy to provide an effective safety net."

The use of South Carolina's water resources is also becoming a more volatile issue as irrigation systems come into more widespread use. To prepare for the inevitable controversies over water that will take place in the state legislature, officials will launch an in depth research initiative in 2018. County extension agents will soon begin visiting every farm in the Palmetto State to gauge how much water they use for irrigation and determine what type of irrigation systems they use. The information they gather will play a vital role in formulating future water policy.

Plastic contamination is another growing concern for U.S. cotton growers. This contamination occurs when plastic fibers get intermingled with cotton fibers during harvesting or ginning, only to be identified when the ginned cotton reaches textile mills. Its presence can adversely affect the quality of the cotton. There have even been cases of shipments being rejected because they contain excessively high percentages of plastic fibers.

The plastic that contaminates cotton comes from a variety of sources. The bright yellow or other plastic used to wrap newly harvested cotton is one of the most obvious sources. But plastic also enters the production chain through other sources, such as leftover plastic mulches left in soil previously used to grow vegetables. Waste plastic from grocery bags and other trash that blows into fields also gets caught up in harvesters to contribute to the problem.

"We've always had contamination," said Dr. Ed Barnes, research director for Cotton Incorporated, based in Cary, North Carolina. "It's always been a challenge, but it's really been a marketing advantage for U.S. cotton."

"We have a reputation for low contamination, and we get a premium for that," Barnes said. "We don't want to give it up. So it's something we want to address."

Source: thetandd.com- Feb 04, 2018

HOME

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National Chamber Seminar on 'Bilateral Trade between Sri Lanka and Bangladesh' this week

Sri Lanka Bangladesh Business Co-operation Council of the National Chamber of Commerce will hold a session on "Bilateral Trade between Sri Lanka and Bangladesh" next week.

The seminar will be held on Thursday, 8 February 2018 from 3.00 to 4.30 p.m. at the National Chamber Auditorium on D R Wijewardene Mawatha in Colombo.

Special Guest Speaker at the event, High Commissioner of Bangladesh to Sri Lanka Riaz Hamidullah will speak on current business trend, trade potential, Opportunities for Export, Import, investment and other services available in Bangladesh.

The participants will get an opportunity to meet the. High Commissioner and officials of the High Commission to clarify issues in doing business with Bangladesh.

Sri Lanka exports to Bangladesh include Cotton, Mineral oils, textiles, chemical products rubber products, tea, paper products while Sri Lanka imports from Bangladesh include Pharmaceutical products, apparel clothing, jute bags, and vegetables.

According to the Asian Development Bank, Bangladesh's economy grew by 7.1% in 2016, the fastest expansion in 30 years and the country's recent economic boom must rank as one of the world's best economics. Garment exports are the backbone of Bangladesh's industrial sector, accounting for more than 80% of total exports.

Managing Directors, CEOs, General Managers, Export/Import Managers and those interested in trade & business with Bangladesh are encouraged to attend.

Source: colombopage.com- Feb 04, 2018

HOME

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Is Cambodia's Economic Prosperity Over?

Cranes building Phnom Penh's rapidly rising skyline attest to Cambodia's economic success as well as to China's commitment to investing in the kingdom's infrastructure. Cambodia has been highly successful in attracting foreign direct investment, creating employment and alleviating poverty for millions.

The outstanding performance of its economy has been widely acknowledged: the Asian Development Bank calls Cambodia the "new tiger economy" and the World Bank announced Cambodia's transition from a low-income to a lower-middle-income country. The widely held expectation is that Cambodia will achieve upper-middle-income status by 2030 if recent growth rates are sustained, East Asia Forum reported.

But Cambodia is still among the least developed countries. For this reason, Cambodia is likely to retain the preferential trade agreements and donor payments that the country has enjoyed for decades. Economic prosperity is set to advance—unless politics get in the way.

Cambodia's economic rise is in stark contrast to the political chaos that reached a climax in November 2017 with the dissolution of the Cambodia National Rescue Party—the country's only major opposition party—and the detention of its leader, Kem Sokha. Prime Minister Hun Sen has also threatened to close the Cambodian Center for Human Rights, which was founded by the detained opposition leader.

The moves have been widely condemned as marking Cambodia's shift to a one-party dictatorship, and many western countries have threatened sanctions. Member states of the European Union announced restrictions on rice imports from Cambodia, while Canada and Australia encouraged Cambodia to reinstate proper democratic processes.

EU, US Sanctions

Perhaps the strongest response came from the United States, which Hun Sen has accused of supporting the arrested opposition leader's efforts to conspire against the Cambodian government.

The US immediately cancelled the riel 1.8 million ($2.3 million) in funding it had pledged for the 2018 Cambodian general elections and it announced visa sanctions against Cambodian officials who were "undermining democracy".

Since the 1991 Paris Accords, the US has spent billions supporting the democratic process in Cambodia in order to restore and preserve peace after two decades of civil war and Khmer Rouge atrocities.

The recent political developments are widely viewed as a collapse of the democratization process—a view that is shared by international rights organizations such as Global Witness and Human Rights Watch. Further recommended sanctions include asset freezes, travel bans on senior officials, trade restrictions and the suspension of all technical assistance for elections.

The Cambodian government and the ruling party have been bemused by western criticism. The prime minister welcomed the cutting of US aid for the elections, pointing out that this would put an end to NGO meddling in Cambodian affairs. After all, western aid has always been conditional on the government maintaining proper democratic processes and institutions. Alluding to the robust performance of the Cambodian economy, a spokesman of the ruling party dismissed concerns, saying "everything is better now than it was before".

Will Cambodia's political fiascos put an end to its economic rise? Cambodian unions fear foreign sanctions will involve a cancellation of preferential tariff rates. In a joint statement, the four major unions in the country appealed to foreign embassies and buyers to treat their industries as separate from politics.

Beijing's Support

As one of China's most favored nations, Cambodia not only receives economic investment and aid with "no strings attached" but also receives Beijing's political support.

China has explicitly expressed its support for the Cambodian government and Hun Sen, who is one of Beijing's most important allies in Southeast Asia.

The Cambodian business community is championing close ties to the government. It views an election victory for the ruling Cambodian People's Party as the most desirable outcome since any other would be detrimental to established business interests.

While the political drama unfolds, Cambodian people go about business as usual and politics does not seem to be the first thing on their minds.

2017 GDP Growth at 6.9%

After it graduated from least developed country status in July 2016, Cambodia's economy has remained healthy with a GDP growth rate of 6.9% in 2017. This was driven by the recovering tourism sector, the ongoing construction boom and the gradual emergence of non-textile exports, CNA reported.

During the first 10 months of 2017, Cambodia received 4.3 million international tourists, up 10.4% compared with the same period in 2016. This was partly due to newly established direct regional flights as well as government initiatives to boost arrivals.

The construction sector continues to grow robustly. Investment into the sector during the first ten months of the year reached $6.26 billion, a 27% increase over the same period in 2016.

Exports of machinery and auto parts picked up. The number of factories dedicated to electrical machinery and auto parts increased from 46 in 2012 (5.1% of manufacturing) to 121 in 2017 (7.1% of manufacturing).

Growth in clothing and other textile exports decelerated to 5.4% in the first half of 2017, compared with the 8.4% growth rate in 2016. Textile exports have also eased in volume terms to a growth rate of 3.6% in 2017, which is down from 2016's figure of 12.3%.

The slowdown in textile exports reflects a decrease in productivity, an increasingly competitive global market, the high cost of transportation and energy as well as rising labor costs.

The minimum wage for the garment and footwear sector is $153 a month and will increase to $170 a month in 2018. This will make the minimum wage in Cambodia higher than that of other countries with large garment industries (such as Bangladesh and Myanmar).

Source: financialtribune.com- Feb 05, 2018

HOME

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Pakistan: Cotton arrivals at ginning factories up by 7.51pc

The arrivals of cotton at ginning factories across the country till January 31, 2018 registered 7.51 per cent increase compared to corresponding period last year, disclosed a fortnightly cotton arrival report released by Pakistan Cotton Ginners' Association (PCGA) here on Saturday.

The report revealed that over 11.432 million bales of cotton arrived at various ginneries in Pakistan as on January 31, compared to 10.634 million bales during the corresponding period of last season. The report pointed out that the cotton arrivals in Punjab increased by 4.84 per cent while in Sindh cotton arrivals increased by 12.34 per cent.

Of the total arrivals of 11.432 million bales at various ginneries in Pakistan, 11.432 million bales were pressed by ginners, of which 10.434 million bales were sold, leaving an unsold stock of 9,97,937 bales with the ginners, as on January 31st, according to the data. The textile mills in country consumed 1,02,18,322 million bales, while another 2,16,615 bales of cotton were sold to exporters.

Ginneries in Punjab recorded arrival of 71,81,153 bales against the last year arrival of 68,49,887 bales. Sindh ginneries recorded arrival of 42,51.721 bales while last year Sindh received 37,84,740 bales. Textile mills bought 1,02,18,322 bales while exporters bought 2,16,615 bales. The total bales sold out so far were calculated at 1,04,34,,937 bales.

While 9,97,937 bales are lying unsold because some ginners are waiting for higher prices of cotton in market.

The break-up shows that Multan received 2,82,342 bales, 3.97% decrease than last year, Lodhran 1,68,363 bales, 12.14% decrease, Khanewal 7,01,642 bales, an increase of 21.39%, Muzaffargarh 3,62,176 bales, an increase of 11.45%, Dera Ghazi Khan 4,36,513, an increase of 26.83%, Rajanpur 4,47,244 bales, 34.18 % increase, Layyah 2,94,084 bales, 5.86% increase, Vehari 5,78,481 bales, 52.38% increase, Sahiwal 2,71,221 bales, 27.38% more than last year, Pakpattan 39,130 bales, 6.52% decrease, Okara 15,775 bales, 17.35% down, Toba Tek Singh 1,74,882 bales, 9.22% increase, Faisalabad 36,549 bales, 0.33% less than last year, Jhang 21,232, showing a decrease of 29.83%, Mianwali 2,06,219, a decrease of 24.94%, Bhakkar 85,097, up 35.88%, Sargodha 7,293, 25.94% decrease, Rahimyar Khan 10,67,501 bales, 7.38% decrease, Bahawalpur 10,03,078, an increase of 2.89%, and Bahawalnagar 9,73,995 bales, a decrease of 17.96%.

In Sindh, Hyderabad received 2,51,684 bales, 10.64% more than last year, Mirpur Khas (Thar) 2,21,367 bales, 18.20% less, Sangarh13,82,037 bales, 12.56% increase, Nawabshah 3,48,299 bales, 5.92 % increase, Naushero Feroze 3,73,675 bales, 9.92% increase, Khairpur 3,35,916, 16.49% increase, Ghotki 3,83,951, 28.29% increase, Sukkur 6,15,671, 16.31% increase, Dadu 68,636, 54.77% increase, Jamshoro 1,30,110 bales, 17.85% more, Badeen 17,335 bales, 35.86% less, and Balochistan received 1,16,700 bales, up 52.45%.

Total 189 ginning factories are operational in the country. Of them, 326 are in Punjab and 150 in Sindh. Total 9,97,937 bales are lying in unsold stock.

Source: nation.com.pk- Feb 04, 2018

HOME

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Kenya fails to lift US trade in Agoa plans

Kenya is heading back to the drawing board after its six-year attempt to promote the duty-free export of coffee, tea, cut flowers, food ingredients and home décor failed to boost its US trade volumes.

Textile and apparel products, which have dominated exports under the African Growth and Opportunity Act (Agoa) since it was enacted in 2000, remain the main items in Kenya-US trade, defying efforts made at product diversification over the 18 years.

Increasing trade volumes and range of products are some of the grounds that Kenya used to successfully push for a 10-year Agoa extension, now open up to 2025.

“Kenyan exports are dominated by textiles and apparel,” reads in part the findings of a review of the current strategy undertaken by the national committee on Agoa.

“Clothing for men and women as well as apparel fabrics articles constituted a huge export volume base totalling to at least 65 per cent of the total goods exported in the year 2016.”

Trade ministry data shows that value of exports to the US grew to Sh55.billion ($ 551.5 million) in 2016.

The Agoa window provides duty-free market access to the US market for 6,421 product lines to eligible sub-Saharan Africa countries, among them Kenya.

Since then, there have been four extensions of the programme in August 2002; July 2004; December 2006. The last, in June 2015, extended Agoa for a further 10 years to 2025, including third-country fabric provisions.

In 2012, the Trade ministry teamed up with US Agency for International Development USAID to develop the strategy that picked coffee, tea, cut flowers, food ingredients and home décor as the first Agoa trial products.

Of the products, only coffee, fruits and nuts exports have made significant inroads over the last 18 years with exports rising to nine per cent of 2016 exports to the US, the National Committee on Agoa says.

Almost two decades since the duty-free trade window was first granted, says National Agoa Committee, its exploitation is still slowed down by a lack of market knowledge, failure to comply with required standards, high cost of doing business and quantity constraints.

Source: businessdailyafrica.com - Feb 04, 2018

HOME

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NATIONAL NEWS

Govt working on raising share of exports in GDP to 20%: Prabhu

The government will come out with a strategy document on increasing the share of exports to 20 per cent of the GDP, Commerce Minister Suresh Prabhu said today.

In an interaction with export promotion councils in Kolkata, he asked the industry to come up with a detailed plan to push the country's exports.

"He (Prabhu) informed that government is also coming up with strategy document to increase export to 20 per cent of GDP. For this he requested industry to come up with proper business plan to increase exports," the commerce ministry said in a tweet.

According to Federation of Indian Export Organisation (FIEO), the current share of exports in GDP is 18 to 19 per cent.

In his budget speech last week, Finance Minister Arun Jaitley had said that India's exports are likely to expand by about 15 per cent in the current fiscal, ending March 31.

"Indian economy is now $ 2.5 trillion - seventh largest in the world. India is expected to become the fifth largest economy very soon," he had said.

The country's merchandise shipments rose 12.36 per cent to $ 27.03 billion in December 2017.

Cumulatively, exports during the April-December period of 2017-18 grew by 12.05 per cent to $ 223.512 billion.

Total exports value was recorded at $ 274.64 billion in 2016-17, up from $ 262.29 billion in the preceding year.

Source: thehindubusinessline.com- Feb 05, 2018

HOME

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Budget 2018: Why GST woes of exporters must be tackled urgently to improve trade

India's trade scenario remains uncertain, especially because its export growth has been far lower than expected. In the past, the sluggish global economy had proved to be a major drag, but with most regions registering decent growth rates in 2017, there was a sense of optimism that India's exports would also measure up.

Backed by some decent growth figure in November 2017, hopes had rekindled that India's exports would double in the near future. The slowing of export growth in December 2017 has once again raised questions about its sustainability. At the same time, it raises a much larger issue about the GDP growth since attaining the 7% mark in 2018 is predicated, as the finance minister has informed us in his Budget speech, on an export growth of 15%.

One of the key aspirations of the government has been to improve the ease of doing business. While there are some indications that there are improvements on this front, the situation for the export business has worsened after the teething troubles of the GST had hit them. These bottlenecks have to be removed urgently. The FM could have responded to the demands of the exporters to address this issue in his Budget speech, for this could have eased the uncertainties that they are facing.

Providing support to the exporters has become imperative also because the trade deficit (in terms of dollars) has been rising over the past few months. In April-December 2017, it was almost 50% higher than that a year ago. This situation could worsen further in the closing months of the current fiscal if the oil prices maintain their upward movement.

Agricultural exports have always been recognised by successive governments as one with considerable "potential". The FM has informed us today that while agricultural exports from India have a "potential" to go beyond $ 100 billion, less than a third is being actually exported. He proposed two welcome steps to bridge the gap between actual and potential exports. The first is liberalisation of exports of agri-commodities, and the second, setting up of state-of-the-art testing facilities in all the existing 42 Mega Food Parks.

The implications of complete liberalisation of exports would have to be examined carefully as the government has been forced to restrict exports of agricultural products only when the domestic supply shortages have arisen, leading to rise in prices.

The second proposal of setting up of state-of-the-art testing facilities was a long felt need. India's agricultural exporters have suffered tremendously in major markets as they have failed to meet the stringent food safety requirements.

However, this needs to be combined with initiatives to train farmers for using the best practices in the use of chemicals and pesticides. These measures can take agri-exports beyond the potential that the FM has indicated.

Source: financialexpress.com- Feb 05, 2018

HOME

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E-way bill mess: Goods stop on tracks, transporters wary of field officers

The e-way bill of the goods and services tax (GST) might have been put on the backburner after initial hiccups, but transporters in Gujarat are still wary of taking on dispatches. Of the 400 trucks that carry textiles from Surat every day, only 15-20 moved on Saturday. "Most of them (transporters) are scared of being harassed by field officers," said Yuvraj Desale, president, Surat Textile Goods Transport Association.

The textile industry alone faced losses to the tune of Rs 750-850 million on Thursday — the day the e-way bill was launched, and then withdrawn. Gujarat had introduced the e-way bill process for only 19 out of 2,350 commodities — to test it out.

Like the rest of the country, it too encountered technical glitches. On Thursday, the e-way bill portal stopped functioning around noon. Late in the night, the government tweeted that the trial phase would be extended, for both inter- and intra-state transport of goods.

The date for the reintroduction of the e-way bill will be announced soon. "It's not always in our hands," Finance Secretary Hasmukh Adhia said, adding that the government suspended the e-way bill as it did not want businesses to suffer due to delays caused by technical glitches. He said, "On day one, a lot of people tried to log in.

We found some technical glitches and the system became quite slow. The e-way bill should be generated within a minute." The finance secretary said the e-way bill will be reintroduced in a week or so. The movement of goods and services was severely affected, not only in Gujarat, but across the country, sparking a blame game.

Officials said the glitches were caused by problems in the National Informatics Centre's server; industry, however, blamed the haste with which the government had rolled out the e-way bill. "The government did not anticipate so much traffic. Also, there were several last-minute notifications, leading to confusion," said a senior tax consultant, adding that it might now return on February 21.

In West Bengal, the leather industry — that exports goods worth Rs 164 million — was the worst hit, deferring its purchase of raw and tanned leather, said Ramesh Juneja, chairman (east), Council for Leather Exports. Even the gems and jewellery sector in the state, left out of the e-way bill's ambit, suffered.

"The state government issues a way bill for gold and precious stones. It suspended the bill on February 1, when the e-way bill was introduced," said Bacchraj Bamalwa, a former chairman of the All India Gems and Jewellery Trade Federation.

"Now, with even the e-way bill withdrawn temporarily, the movement of gold and precious gems has been halted," he added. In Tamil Nadu and Kerala, inter-state consignments were stuck in godowns of traders, prompting an exporter to complain that the government was not ready to implement it.

Another trader said it took him six hours to generate an e-way bill. Tamil Nadu Chamber of Commerce and Industry President N Jagatheesan said most assessees were still clueless about all provisions of the e-way bill.

The Telangana government has been upbeat about the e-way bill. Being a consumption state, it had registered a growth rate of 18 per cent, year on year, in value-added tax (VAT) receipts. The authorities are hopeful of sustaining this performance under the GST as well. Said the State GST Additional Commissioner M Satyanarayana Reddy, “It is a matter of a few days before the e-way bill system is restored.” But glitches have severely affected traders. “One of my clients was stuck for hours at a checking point for an e-way bill. He was let off at around 7.15 pm, after the news was communicated to the officials,” a GST consultant said.

Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry’s GST committee Chairman Abhay Jain said there was no need for a separate e-way bill, as the authorities can always verify tax compliance by checking invoices of goods. “The e-way bill should be deferred for at least six months,” he added. “Business has stabilised now since the introduction of the GST. People are busy with year-end paperwork.”

An official who has worked with the pilot project for e-way bills in Karnataka said they did not really know the traffic load on the server. “Whatever assessment we do are estimates. Only when people start uploading e-way bills will we know the real picture. The traffic on the site has been huge. The system should normalise in a few days,” he said.

Source: business-standard.com- Feb 04, 2018

HOME

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Survey corroborates textile sector’s plea

The Economic Survey, tabled in Parliament by Finance Minister Arun Jaitley, has corroborated the plea of the textile sector for a review of taxes on products left outside the Goods and Services Tax (GST).

The concerns, which the textile sector had been airing, were related to the implanted taxes on petroleum and electricity.

“We have been asking for the review because only select segments of the textile industry such as apparel production units were able to get the input tax credit on petroleum and electricity.

Even for select segments, the input tax credit is only 1.7 % which is insufficient," said Tirupur Exporters Association president Raja M. Shanmugam.

Another major aspect in the Survey was the constraints faced by them to get leverage in global markets despite China losing market share.

"The Survey has said in tandem with the versions from here that high domestic taxes on man-made fabrics, high logistic costs, and duty free access which countries like Vietnam, Bangladesh and Ethiopia enjoying in US and European markets are pushing back the Indian manufacturers.

Hence, the government should not phase out incentives anymore," pointed out S. Dhananjayan, an industry consultant.

Source: thehindu.com- Feb 04, 2018

HOME

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Small and medium textile parks in Telangana proposed

In yet another attempt to boost textile sector in the State, the Telangana State Industrial Infrastructure Corporation (TSIIC) has proposed establishment of small and medium scale textile parks or clusters spread over 50-100 acre each.

These textile parks or clusters are aimed to encourage textile industry managements from textile hubs such as Bhiwandi, Surat and Sholapur to establish their units in the State as part of efforts to promote reverse migration of weavers to their home State.

In a meeting with the textile industry managements of Sholapur, Bhiwandi and Surat at TSIIC office here on Friday, the Corporation Chairman Gyadari Balamallu said besides providing land, the State government was ready to provide incentives and subsidies for textile industries being set up in these textile parks.

"Just like weavers, many people from Telangana migrated to Surat, Sholapur, Bhiwandi and other places to establish their textile business.

We want them to return to their home State and establish their units here," he added.

Balamallu recalled that textile sector in Telangana region was pushed to the back seat in erstwhile Andhra Pradesh and said the Telangana government was establishing Kakatiya Mega Textile Park in about 1,200 acres to revive past glory of weavers in the State.

The mega textile park would be expanded based on the demand from textile industries, he added. Besides allocation of 100 acres in the megal textile park, the TSIIC Chairman also stated that a proposal for setting up a small scale textile park was consideration in Pendyala village of Janagaon district.

The textile industrialists were also assured for allotment of land to develop weavers residential colonies closer to the textile parks or clusters. They were asked to work as ambassadors of Telangana textile industry and encourage investments in the sector in Telangana. They were also suggested to manufacture bedsheets and home linen on the lines of Sholapur.

TSIIC Managing Director, E Venkata Narasimha Reddy, Joint Director of textiles Srinivas Reddy, NIMZ-Zaheerabad chief executive officer Madhusudhan and others participated in the meeting.

Source: telanganatoday.com- Feb 03, 2018

HOME

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Pan-India heritage walk festival kicks off

From textile trail in Ahmedabad to stories of the Partition in Amritsar and from exploring the making of Lutyens' Delhi to tracing history of theatres in Mumbai, a heritage-themed festival promises to offer diverse experiences to people this month.

The India Heritage Walk Festival began today with walks in World Heritage City Ahmedabad, Delhi's Mehrauli Archaeological Park and a nature walk in Hyderabad, its organisers said. The festival spans across 20 cities, including Agra, Bengaluru, Varanasi, Chennai, Kolkata, Srinagar and Itanagar. "This is the first time we are holding a walk festival to celebrate the heritage of

India. Besides walks, there will be 'baithaks' for history enthusiasts and 'instameets' for Instagram users," a representative of Sahapedia told PTI.

Sahapedia, an open online resource on the arts, cultures and heritage of India, has joined hands with YES Culture of YES Bank for this multi-faceted walk festival. "One of our first events, 'Walking the Sacred Route at World City of Ahmedabad' is slated for today while the textile trail walk will be held there on February 10.

In Delhi, noted historian Sohail Hashmi is leading a walk in Mehrauli Archaeological Park and there will be an event in Nizamuddin Basti on Sufi culture too," the representative said. In Vadodara, heritage aficionados can explore the Indo- Saracenic architecture at MSU, Baroda on February 17 and in Bikaner a Holi Walk would be held on February 25, she said.

Mumbai residents can explore the bylanes of Bandra tomorrow with a walk leader while on February 11 they can trace the history of old single-screen theatres of the tinsel town through 'The Talkies Walk'.

In Delhi, besides exploration of history of making of New Delhi on February 25, several other walks beckon visitors ranging from heritage of Hauz Khas to public art in Lodhi Colony area. In Srinagar, a walk will be held on February 26 around the Jhelum River and in Varanasi a tour of the city is slated for February 24.

Source: business-standard.com- Feb 04, 2018

HOME

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Garment makers may invest up to ₹800 crore in Solapur

Raymond, Reliance Group among those evincing interest

Reputed garment manufacturers have evinced keen interest in investing ₹700 crore to ₹800 crore in setting up units in Maharashtra’s Solapur District, said a top official.

“Of late, Solapur has been gaining prominence as a sourcing hub for ready-made school and corporate uniforms,” said Amit Kumar Jain, joint secretary, Solapur Garment Manufacturers Association.

"We expect Solapur to attract investments of ₹700 crore to ₹800 crore by 2022." According to him, Mafatlal Industries had already started a 200-machine factory to make ready-made uniforms. Reliance Group, Raymond and Mumbai-based Rupam Exports and Amber Home, which make shirts for the European market, are next in the line.

Officials from Raymond would visit Solapur on February 8 to begin initial discussion with 40-50 manufacturers for sourcing uniforms. "Right now, we have 300 members in Solapur making school and corporate uniforms," said Mr. Jain. "Our target is to scale it up to 2,000 members by 2022 and touch a turnover of ₹25,000 crore.

Average investment

On an average, the investments by these firms will be about ₹2 crore. The investments by big firms will be much higher," he said.

The market size for ready-made uniforms in India was estimated at ₹18,000 crore with the unorganised sector accounting for ₹8,000 crore, said Nilesh Shah, vice president, Solapur Garment Manufacturers Association.

"Solapur is gaining significance for garment trade. Hence, to help its promotion and expansion at international level, an uniform and garment exhibition was held at Solapur in the last two years. The announcement of an airport at Solapur will provide us the missing link," said Mr. Shah.

Mr. Jain said awareness among the domestic and international buyers about ready-made school and corporate uniforms was on the rise and it could be seen by the substantial increase in the number of participating States from four to 12 in the second edition of the garment exhibition.

"We are expecting higher demand for school uniforms, kids garments, gents and ladies garments by 2022. We hope that each firm can provide employment to about 250 people on a single shift basis," said Mr. Jain.

Source: thehindu.com- Feb 04, 2018

HOME

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