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IBTEX No. 71 of 2019 April 05, 2019

USD 69.13| EUR 77.62 | GBP 90.64 | JPY 0.62

Cotton Market		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22010	46000	**84.97**
Domestic Futures Price (Ex. Warehouse Rajkot), April		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22130	46252	**85.43**

International Futures Price	
NY ICE USD Cents/lb (May 2019)	77.32
ZCE Cotton: Yuan/MT (May 2019)	15,165
ZCE Cotton: USD Cents/lb	102.40
Cotlook A Index – Physical	**86.65**

Cotton Guide: The tone of the ICE futures were mixed yesterday. The change that was noticed was seen to be in the +20's for all the nearby ICE contracts. The ICE May contract traded in the range of 77.80 cents/lb as the high figure and 76.85 cents/lb as a low figure. However, it went onto positive grounds settling at 77.32 cents/lb with a change figure of +27 points.

The July futures settled at 78.01 cents/lb with a change of +24 points. The reason that can be attributed for the Markets settling marginally higher is that the US Export sale figures were good as compared to the previous week.

Let's have a look at the Net Upland Sales:

Net Upland Sales 2018-2019			
Increases	Amount	Reductions	Amount
Vietnam	100,800 RB	South Korea	9,800 RB
China	59,000 RB	Indonesia	4,700 RB
Bangladesh	48,700 RB	Japan	900 RB
India	43,800 RB		
Turkey	42,700 RB		

Net Upland Sales 2019-2020	
Increases	Amount
Vietnam	86,200 RB
Turkey	80,800 RB
Pakistan	51,100 RB
China	46,500 RB
Indonesia	28,800 RB

From the above we can ascertain that the export sales increases saw a 47.07% rise as compared to the previous week's figure. Net sales summed up to 322,100 RB for 2018-2019. Export shipments were reported at 410,900 running bales.

The CFTC on call report was also released. The on call sales are on a rise. Total on call sales summed up to 107,637 contracts with a change from the previous week as 1,261 contracts. The on other hand the Total On call Purchases hit a new high for 2019 at 52,134 with a change of 537 contracts as compared to the previous week.

On the MCX front, the contracts saw a rise of around 200 Rs/Bale. The MCX April contract settled at 22,130 Rs/Bale with a positive change of +230 Rs. The MCX May and MCX June contract settled at 22190 Rs/Bale and 22450 Rs/Bale with a change of +210 Rs and +190 Rs respectively.

In the Physical markets the prices of Shankar 6 have crossed the so called threshold of 46,000 Rs/Candy. The major reason attributed for this rise both in Domestic Futures prices and spot prices is low arrivals which is estimated to be around 80,000 Lint equivalent bales and Short covering by the market participants.

We have a bullish bias in the long term on the prices for both ICE and MCX, however, it seems a little difficult to predict as to with what intensity and vigour will the markets rise. In the domestic markets Import enquiries are seen to kick in now, which can curb the intensity of price rise. Cotlook Index A has been adjusted downward to 86.65 cents/lb with a change of 0.25 cents/lb CFR Far Eastern Ports.

On the technical front, The trading range for ICE Cotton futures is getting narrower after the rebound from the support at 13 day EMA at 76.40 levels. As shown in the charts price is trading in the range of 76.40-77.90 since the beginning of this week. Meanwhile the firmness in cotton futures also supported by positive cross over of Exponential moving average of 13 & 26. The momentum indicator RSI is at the level of 59, indicating firmness in the trend. The next support for the prices is at 75.95 & the resistance 78.35, close above the channel would initiate the intermediate bullish trend. From the above analysis, we expect ICE Cotton to trade in the range of 76.40-77.90 for the day with sideways to positive bias. In the domestic market April futures is expected to trade in the range of 21850-22180.

Currency Guide

Indian rupee may witness mixed trade against the US dollar but general bias remains on the weaker side. Indian rupee depreciated over 1% Thursday in response to RBI decision. RBI cut interest rate by 0.25% to 6% in line with market expectations and maintained neutral stance. Some market players were however disappointed that RBI did not take a further dovish stance. This brought a halt to gains in domestic equity market putting pressure on rupee. Also weighing on rupee is firmness in crude oil price. Brent crude oil briefly tested $70 per barrel yesterday amid supply concerns relating to Libya and firmness in US equity market.

The US dollar also benefitted from better than expected US jobless claims data. US jobless claims fell to a 49-year low of 202,000 last week ahead of the much awaited non-farm payrolls report Friday. However, supporting rupee is general strength in global equity market, continuing investor inflows in domestic market and general optimism that ruling BJP government may win another tenure in general elections. Risk sentiment has improved as both US and China have expressed progress in talks.

US President Donald Trump said on Thursday a trade deal with China was getting very close and could be reached in about four weeks, but he said sticking points included tariffs and intellectual property theft. Rupee has moved back above 69 levels erasing most of the gains noted in last few days. Mixed factors may keep rupee choppy in the near term however overall bias may remain on weaker side with higher crude oil price. USDINR may trade in a range of 68.85-69.4 and bias may be on the upside.

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

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INTERNATIONAL NEWS

US suffers as trade deal with China hangs in a limbo

The ongoing trade standoff between the US and China is likely to affect not only the Chinese but also the US apparel industry. The war is already taking a toll on supply chains, with apparel companies pulling their sourcing away from China and moving to other Asian countries. These issues were the highlight of discussion at this year's American Apparel & Footwear Association's (AAFA) Executive Summit.

There is concern across the board about the ongoing crisis. President Trump hasUS suffers as trade deal with China hangs twice extended the deadline for a deal with China and the industry has been collectively holding its breath.

In February, he delayed tariff and increase citing "substantial progress" on issues including IP and technology transfer. US Treasury Secretary Steven Mnuchin and US Trade Representative Robert Lighthizer will now work towards a final deal with a delegation of government officials from China scheduled to come to Washington for additional talks.

Deal needs upgradation

The trade deal between Washington and Beijing needs evaluation on several fronts. It requires a breakthrough including market access for the United States into China, as well as some structural reforms.

The US has also demanded provisions for protecting IP and eliminating forced transfers of US technology. Negotiations will also determine whether these provisions are enforceable. Also, there's a lot on the line from an image perspective, with the US administration setting high expectations for outcomes.

The negotiators will have to work on multiple fronts. One of the biggest hurdles in the enforcement of this deal is ensuring China actually follows through in areas such as opening its economy and respecting IP rights and technology ownership. Negotiators will also have to deal with issues such as the unpredictable behavior of President Trump and the uncertainty it throws into the process often compromising efforts by others.

Political crises hangs over the US

The next few weeks will be crucial for both the country as it will determine which country is more desperate for the deal. In the past five months, the economies of both the countries have suffered, although China's slowing growth can be attributed to its deleveraging process, not the trade war. In 2007, China exports amounted to 37 per cent of its GDP, today this figure has declined to just 20 per cent, making the trade deal less important for China.

However, it doesn't mean China doesn't want the deal. But everything points toward the fact that US needing it more, especially given the political fallout that will result from continued tariffs going into the election season."

Source: fashionatingworld.com- Apr 04, 2019

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NRF Says US-Mexico Border Closure Would Hurt Retail Supply Chain

$1.7 billion each day.

That's the minimum daily volume of U.S. trade with Mexico, according to the National Retail Federation, which said Thursday that a closure of the U.S.-Mexico border would have a severe impact on U.S. retailers, workers and consumers.

Though President Trump appeared to backpedal on his threat to seal off the border, saying Thursday that he would delay the closure for a year, he said at the White House that if the flow of illegal drugs from Mexico doesn't stop, he'll consider the border shutdown and possible even potential tariffs.

"We share the administration's goal of fixing the nation's broken immigration system and enhancing border security," NRF president and chief executive officer Matthew Shay, said, adding that there is no way to close the border without inflicting serious damage to the American economy.

“Closing the border for any length of time would result in significant supply chain disruptions for U.S. retailers,” NRF’s ceo explained. “These disruptions would reverberate throughout the supply chain, impacting everyone from truckers to warehouse workers whose jobs depend on the two-way trade with Mexico. The end result would be be job losses, factory shutdowns, increased consumer costs and reduced product availability across the country.”

Those were the key points in a letter NRF sent Thursday to U.S. officials including: Steven Mnuchin, secretary of the treasury; Robert Lighthizer, U.S. trade representative; Wilbur Ross, secretary of commerce; Larry Kudlow, director, National Economic Council; Kirstjen Nielsen, secretary of homeland security, and Keven Hassett, chairman, Council of Economic Advisors.

In the letter, NRF noted, “Retail is the nation’s largest private sector employer, supporting one in four U.S. jobs-42 million working Americans. Contributing $2.6 trillion to annual GDP, retail is a daily barometer for the nation’s economy.”

The letter went on to say, “Everything from consumer products destined for retail store shelves to intermediary inputs for manufacturing facilities travel across the border,” noting that any closure would disrupt the retail supply chain.

In addition to workforce disruptions and reduced sales for retail members that operated along the Southern border, Shay said, “Our members not only rely on Mexico as a source of fruits and vegetables, electronics, appliances, auto parts and apparel, but also rely on the Mexican market for retail operations.

Mexico is a key market for U.S.-based retailers and restaurant chains that depend on cross-border trade to ensure system-wide standards so that Mexico consumers get the same quality and selection as U.S. consumers.”

Shay emphasized the need for the “administration to ensure that the free flow of legal trade and travel continues through our southern border....Resorting to a border closure would merely be a self-inflicted wound to the American economy.”

On Tuesday, President Donald Trump told reporters in the Oval Office that while he's pleased with steps Mexico has taken to prevent migrants from entering the U.S. illegally, if Mexican officials stop doing that or if there's no deal with Congress, the border would be closed. "100 percent," he said.

At about the same time, Mitch McConnell (R-Ky.), the Senate Majority Leader, agreed that there is a "border crisis," but noted, too, that closure of the southern border would have potential "catastrophic economic impact" on the U.S.

Tuesday's developments involving Washington's two top Republicans prompted a statement from Sen. Ted Cruz (R-Tex.), warning that closure of the border would be devastating to Texas and jeopardize the "millions of jobs" that are dependent on trade with Mexico.

And while Cruz acknowledged too the need to secure the border, he also pointed out that "the answer is not to punish those who are legally crossing the border."

On Monday, the border crisis had Homeland Security Secretary Kristjen Nielsen sent additional officers from Customs and Border Protection to the help secure the border.

President Trump made immigration and the southern border a key issue in his 2016 campaign, and his insistence of $5.6 billion in federal funding to erect his U.S.-Mexico border wall resulted in an impasse over funding measures that led to the partial government shutdown that began in December and lasted for 35 days.

On Wednesday, President Trump tweeted: "Congress must get together and immediately eliminate the loopholes at the Border! If no action, Border, or large sections of Border, will close. This is a National Emergency."

Source: sourcingjournal.com- Apr 04, 2019

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Trade war, Brexit could slow developing Asia's 2019, 2020 growth: ADB

Growth in developing Asia could slow for a second straight year in 2019 and lose further momentum in 2020, the Asian Development Bank (ADB) said on Wednesday, warning of rising economic risks from a bitter Sino-U.S.trade war and a potentially disorderly Brexit.

Developing Asia, which groups 45 countries in the Asia-Pacific region, is expected to grow 5.7 this year, the ADB said in its Asian Development Outlook report, slowing from a projected 5.9 percent expansion in 2018 and 6.2 percent growth in 2017.

The 2019 forecast represents a slight downgrade from its December forecast of 5.8 percent. For 2020, the region is forecast to grow 5.6 percent, which would be the slowest since 2001.

"A drawn out or deteriorating trade conflict between the People's Republic of China and the United States could undermine investment and growth in developing Asia", Yasuyuki Sawada, ADB's chief economist, said in a statement.

The lender also cited uncertainties stemming from U.S. fiscal policy and a possible disorderly Brexit as risks to its outlook because they could slow growth in advanced economies and cloud the outlook for the world's second largest economy.

"Though abrupt increases in U.S. interest rates appear to have ceased for the time being, policy makers must remain vigilant in these uncertain times," Sawada said.

China's economy will probably grow 6.3 percent this year, the ADB said, unchanged from its December projection, but slower than the country's 6.6 percent expansion in 2018 despite recent government stimulus measures including more tax cuts and increased state spending on infrastructure. Growth in the Chinese mainland is projected to cool further to 6.1 percent in 2020.

Beyond trade risks, the ADB said China's growth will also be retrained by restrictions on shadow banking, which is expected to limit credit expansion even as fiscal stimulus provides some offset.

"I should emphasize although the government would like to stablize growth, it wouldn't want to push up the growth rate as in previous years when you saw a big stimulus package, like in the period of 2008-2009," said Jian Zhuang, senior economist at ADB in Beijing.

Chinese banks may still remain reluctant to lower lending costs for companies partly on worries of rising risks of corporate defaults in a slowing economy. The central bank could take further actions, such as cutting the benchmark 1-year lending and desposit rates, the ADB said.

China has set its 2019 economic growth target at 6.0 to 6.5 percent.

By region, South Asia will remain the fastest growing in Asia Pacific, with the ADB predicting an expansion of 6.8 percent this year - lower than its previous forecast of 7.1 percent - and 6.9 percent next year.

From an estimated 7.0 percent growth in 2018, India's economy is projected to expand at a faster pace of 7.2 percent in 2019 and 7.3 percent in 2020, the ADB said, as lower policy rates and income support to farmers boost domestic demand.

This year's growth forecast for Southeast Asia was trimmed to 4.9 percent from an earlier estimate of 5.1 percent, as the Manila-based lender expect Malaysia, Singapore, Philippines and Thailand to grow slower than previously thought. Next year, Southeast Asia is predicted to grow 5.0 percent.

Citing stable commodity prices, the ADB lowered its average inflation forecast for developing Asia to 2.5 percent this year from 2.7 percent previously, and it is expected to remain subdued at 2.5 percent in 2020.

Source: reuters.com- Apr 03, 2019

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Shenzhen-listed textile firm's Indonesia investment fuels hopes of silver lining in US-China trade war

A China company's bid to set up a textile manufacturing plant in Indonesia's Central Java province is raising hopes the Southeast Asian country can benefit from Chinese firms seeking to shift their production centres amid the ongoing US-China trade war.

Jiangsu Lianfa Textile, listed on the Shenzhen Stock Exchange, will launch its factory next year with an investment of between 5 and 6 trillion rupiah (US$350 million and US$422 million), said Ade Sudrajat, chairman of the Indonesian Textile Association (API).

The factory will produce yarn for shirt-making, reducing the cost of yarn imports by US$1 billion for Indonesian shirtmakers and helping them produce final goods such as fabrics and shirts more speedily for the US market, he said.

“There isn't a single Chinese investor that has pumped money into Indonesia in the last one to two year … and we hope this planned shift by the Chinese textile company is a sign that more will come to Indonesia,” Sudrajat said. “Our buyers in the US will benefit because the shipment processes for materials will be shorter and faster.”

Textile exports contributed US$13.8 billion last year, or about 2 per cent of Indonesia's GDP, and the Industry Ministry said close to 3 million new jobs were created. Its aim is to grow textiles exports this year to US$15 billion for the US, Japanese and European markets.

Sudrajat said he spoke with Jiangsu Lianfa officials last year, and talks centred on the challenges posed by Southeast Asia's largest economy's complicated industrial and labour regulations, compared to other lower-cost manufacturing hubs in neighbours Malaysia and Vietnam.

Among other things, companies in Indonesia must pay a high minimum wage and commit to high severance payments. Lagging infrastructure, such as poor roads and power shortages, have turned away investors.

Indonesia wants to increase its slumping exports amid a record trade deficit, and is seeking to sign trade pacts to look for new markets, Bloomberg reported last month. It recently signed a comprehensive economic partnership with Australia that removed duties on some of its exports.

Industry Minister Airlangga Hartarto told local media in January that several textile and shoemaking companies were considering moving operations from China to Indonesia to avoid trade tariffs. The size of Chinese investments last year – US$2.4 billion – ranked third behind those from Singapore and Japan, according to the Indonesia's Investment Coordinating Board in February.

Indonesia had about US$27 billion worth of foreign investments last year.

PT Bank Permata economist Josua Pardede urged the government to smoothen the path for domestic and international investors to grow Indonesia's textile industry, which has been prioritised as a key sector.

"The government should capitalise on the US-China trade war and urge investors to relocate their plants, so that Indonesia can sell more products to overseas markets," Pardede said.

China and the US have started a fresh round of talks to end the trade war but it is unclear how much of the US tariffs – currently imposed on US$250 billion worth of Chinese goods such as chemical products and textiles – will be eliminated.

Jiangsu Lianfa's factory in Kendal will be in an industrial estate jointly set up by Indonesia's PT Jababeka, an Indonesian industrial estate operator, and Singapore's Sembcorp Development.

Salaries in Central Java province are lower compared with those in West Java province, where car and motorbike manufacturing plants are housed in cities like Karawang and Bekasi.

Semarang, the capital of Central Java, has the highest minimum wage in the province of 2.9 million rupiah (US$200) compared with Bekasi and Karawang's 4.2 million rupiah (US$290) per month.

Sudrajat said he was hopeful ongoing negotiations between Indonesia and the European Union for a free-trade deal that would scrap import duties would wrap up soon. But for this, Sudrajat said in reference to the country's upcoming elections on April 17, political continuity was essential. Incumbent president Joko Widodo is seeking re-election for another five-year term and is up against former general Prabowo Subianto.

"A new leader for the nation would only mean that we will start from a scratch again. And the ideal to hit US$15 billion in textile exports value will remain a dream," Sudrajat said.

Source: scmp.com- Apr 04, 2019

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Expansion by major denim brands heat up the global jeans market

Expansion by major denim brands heat up the global jeans marketCompetition in the $60 billion global jeans market is heating up with major denim brands chalking out robust expansion plans. While Levi Strauss & Co. is going for an Initial Public Offering (IPO) to raise about $587 million, VF Corp plans to hive-off Wrangler and Lee into new entity Kontoor Brands.

Gap and Old Navy also plan to demerge into two separate public companies to increase their market share. With mounting pressure from the Wall Street to increase volumes, these initiatives will generate fresh funds for expansion.

Fresh funds to fuel expansion

The Levi's IPO, through which the company aims to raise up to $587 million, provides funds for retail, category and international expansion. The brand is on a roll right now and the infusion of cash will allow it to further expand its retail footprint.

The company plans to deepen its presence in emerging markets like China, India and Brazil, in order to driveExpansion by major denim brands heat up the global jeans long-term growth. Its net revenue in top five markets including the United States, France, Germany, Mexico and the United Kingdom collectively increased to $3.5 billion in fiscal year 2018.

The company plans to expand across these markets though a combination of new stores, expanded wholesale relationships and an increased e-commerce presence. It might even acquire some other business and strengthen further their position in the market place.

Mixed response for the VF Corp's Kontoor spinoff

The Kontoor spinoff has garnered a mixed response. Andreas Kurz, a former CEO at Hugo Boss USA, Diesel USA and 7 for All Mankind, doesn't think the spinoff is a good move for Wrangler and Lee because the brands had benefitted over the years from VF's structure. He feels, the company by separating from VF is creating additional costs in areas like sourcing, legal and overhead, thus making it less efficient.

Stefano Aldighieri, President of Another Design Studio, however believes the Kontoor spinoff will enable VF to create an independent powerhouse, which can reassert its dominant position in the jeans market. He believes it to be a great opportunity for VF to refresh the Wrangler brand and possibly expand it from its traditional Western wear market and to finally relaunch Lee and make it again the leading brand that it used to be.

Levi's to strengthen men's bottoms business

While Levi's plans to maintain its core brand positioning, it will also enhance other labels. The brand is actively focused on maintaining and strengthening its men's bottoms business, which will continue to be a key driver of its operating results."

The company will also invest in marketing and advertising to increase engagement with brands, including TV, digital and influencer marketing. In addition, it will target value-conscious consumers through the Signature by Levi Strauss & Co. and Denizen brands sold through wholesale accounts, growing its business with accounts such as Walmart and Target.

Diverification to maximise focus

The Gap-Old Navy breakup will enable each company to maximise focus and flexibility, align investments and incentives to meet its particular business needs and optimise cost structures for greater profitability.

However, it will also reduce the diversification that the brand provides to overall entity. It is indeed difficult for brands to stay on course when their demanding shareholders expect short term profit at all times. How these brands balance this pressure and continue to grow, remains to be seen.

Source: fashionatingworld.com- Apr 04, 2019

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EU decision to withdraw preferential trade access to hurt Cambodia

The EU may withdraw preferential trade access to Cambodia over Cambodia's human rights record. Such a withdrawal would be nothing short of devastating for Cambodia's garment industry, given the inherently low margins of the sector and the importance of demand from the EU.

Cambodia is one of several developing countries granted duty-free and quota-free access to the EU for all exports, except arms and ammunition, under the Everything But Arms (EBA) trade agreement.

The garment and footwear industry is one of the pillars of Cambodia's economy. The sector has helped improve labor standards and workers' living conditions, reduce poverty and promote sustainable growth.

Cambodia's garment sector employs some 7,00,000 workers, whose jobs could be in question if EBA is pulled. Brands depend on Cambodia for sourcing. Adidas, for instance, sourced about a quarter of its apparel volume last year from Cambodia, more than from any other country, including China and Vietnam.

For now, the EU is Cambodia's largest trading partner, taking in nearly half of Cambodian exports, mostly textiles, footwear and agricultural products. Nearly all of these exports enter the EU market under EBA tariff preferences. Most of Cambodia's exports to the EU would face 12 per cent customs without EBA.

Source: fashionatingworld.com- April 04, 2019

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Experts urge Kenya to diversify export to help cut trade deficit

Kenyan experts on Thursday urged the government to diversify the country's export base to help curb rising trade deficits which they said grew 1.2 percent in 2019.

The experts, from the Institute of Economic Affairs (IEA) and the Kenya Association of Manufacturers (KAM), said the government could enhance its ability to widen sources of revenue by increasing investment in a broad range of sectors.

"We remain constrained by the current export structure that relies on a few export products and markets," said KAM research and fiscal policy manager Simon Githuku. "It is time we diversified if we are to address the ballooning trade deficits."

Githuku told a forum in Nairobi that having a new export structure will mitigate adverse effects of trade fluctuations.

According to latest World Bank statistics, the gap between imports and exports climbed to 1.15 trillion shillings (10.15 billion U.S. dollars) in 2018, up from the previous year's 10.13 billion dollars.

"We... require a clear regulatory framework and workable incentive packages to condense the trade deficits," Githuku said.

The trade deficit is denying the country an opportunity to create more jobs with local firms losing out to foreign manufacturers in the long run, he said.

Joram Gicheru, an IEA associate, called on the government to give subsidies to local producers of agricultural products to reduce the cost of production and improve volumes and quality of the products.

"One of the ways out from this mess is by striving to double volumes of our three top exports -- tea, coffee and horticulture -- and to do that it means we need to improve our productivity," he said.

The answers to the deficits also depend on how the government positions its manufacturing sector with a sharp focus on alternative products such as textile, chemicals, machines, agro-processing, blue economy and leather, Gicheru said.

He called on policymakers to take advantage of the Africa Continental Free Trade Area (AfCFTA) initiative, which offers African countries a great long-term opportunity to address technical barriers to trade.

The agreement will increase intra-Africa trade as well as enabling Kenya and other African countries to attract investment, he said, noting that the AfCFTA provides new export opportunities for African products.

Once in place, the AfCFTA will cover a market of 1.2 billion people and a combined gross domestic product (GDP) of some 3 trillion dollars.

"We must position ourselves strategically to reap from the regional pact, which aims to establish a single market that will spur industrialization, infrastructural development, economic diversification and trade," Gicheru said.

Fred Simiyu, who is in charge of international trade at the Ministry of Trade, said the government will implement initiatives to add value to the free trade agreement.

Richard Kariuki, regional head of Governance Beta Healthcare International, urged the government to offer favorable policies that make it easier for pharmaceutical and health industries to operate smoothly.

"The government needs to give subsidies and come up with favorable tax policies on medical equipment, capital expenditure and raw materials as well as honoring obligations for health sector such as tax refunds, improved management as well as partnership with private entities to foster a coherent framework for UHC," he said, referring to universal health care.

Source: xinhuanet.com- April 04, 2019

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Bangladesh attains competitiveness in global trade: Commerce Minister

Commerce Minister Tipu Munshi, who is now in Geneva, said Bangladesh has attained competitiveness in global trade while the country is also moving forward in export earnings with reputation.

“The export earnings of Bangladesh in the last fiscal year was $37 billion while the export earnings target in 2021 has been set at $60 billion,” he said yesterday while addressing the 5th Trade Policy Review (TPR) meeting of Bangladesh at the World Trade Organization (WTO) headquarters in Geneva.

The Commerce Minister in the meeting highlighted the steps and reforms initiatives of the government in the country’s economic, industry, and investment arenas, said a Ministry press release today.

Mentioning that Bangladesh has already overcome successfully the first step towards entering the developing country status from the LDC list, he said it would become a developing country by 2024.

“Then the support of WTO will be needed to the developing Bangladesh to face the challenges of global trade. Bangladesh particularly needs the facility from the extended period of the TRIPS agreement,” he added.

The Commerce Minister said the work for establishing 100 economic zones across the country under the dynamic leadership of Prime Minister Sheikh Hasina is going on.

“Over the next 15 years, over 10 million employments will be created from here with additional export earnings of $40 billion.”

Source: businessnews24bd.com- April 04, 2019

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Pakistan: Uzbekistan offers joint ventures in education and trade

Ambassador Sadiqov called upon academicians and policymakers to enhance mutual cultural, historical and economic relationships between the two countries to promote regional integration and development.

A number of academicians from the university, civil society, think-tanks, media community, scholars, besides members of Centre for Global and Strategic studies Islamabad were present on the occasion.

The Uzbek envoy showed keen interest in the promotion of educational links and pursuits of students and scholars of both the countries as education in both the countries is cost effective and distance friendly for both countries.

The ambassador assured participants that new relationship is on the horizon as Pakistan and Uzbekistan signed on establishing 21 joint ventures only during 2018 as compare to 47 joint ventures during the last 20 years.

He said sharing experience in cotton industry with Pakistan was mutually beneficial as Uzbekistan is currently the second largest cotton exporter in the world while Pakistan imports cotton for its textile industry.

He maintained that 700km railway link between Pakistan and Uzbekistan through Afghanistan can revolutionise CPEC and likewise will be a game changer in the region. The Uzbek ambassador said that six Pakistani Urdu dramas being televised in Uzbekistan have a favourable viewership.

He expressed hope that Pakistan will reciprocate by inviting Uzbek journalists after Uzbekistan invited 10 Pakistani journalists to tour his country. He said it was expected that Pakistani media organisations will apply for accreditations to work in Uzbekistan.

He said that Central Asia was the future of Pakistan and at the same time it was the history of Pakistan.

Regarding state-level cooperation, the ambassador added that military exercises were already taking place between the two countries.

UoP Area Study Centre former director Dr Azmat Hayat Khan said that the great game was over and the west had lost it. It was up to the regional states to maintain and sustain peace for inclusive development of the region.

UoP Regional Studies Depart-ment Head Dr Babar Shah said that both the countries need to enhance media coverage and projection of the countries in each other's national media.

Head of Centre of Global Strategic Studies Col (retd) Khalid Taimur Ahmad urged the academics and the UoP centre to use its platform to garner regional dialogue and conferences.

Earlier, speaking as a host, Area Study Centre Director Prof Dr Shabir Ahmad Khan urged Uzbek delegation to renew two MoUs of Area Study Centre with Centre of Political Studies, Tashkent and Institute of Strategic and Regional Studies under the President of the Republic of Uzbekistan and to further extend two training programmes for Institute of Finance, Tashkent and Ministry of Construction currently underway by Area Study Centre.

Shabir Ahmad added that both the countries enjoy high level of political understanding on regional issues.

Source: tribune.com.pk- April 04, 2019

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Chinese companies ink agreement to invest in textile sector

Recognising Pakistan's potential as the world's 4th largest cotton producer, Chinese investors have signed a cooperation framework agreement with government of Punjab.

Chinese investors appreciated Pakistan's textile and textile value addition sector and shown interest in investing in the Punjab.

In this regard, a four party cooperation framework agreement was signed between China Railway 20 Co. Pakistan (pvt) Limited, Shanghai Yuanyi Industry Company Limited, Pak-China Investment Company Limited and Punjab Board of Investment and Trade (PBIT).

Representatives from China Railway 20 Co. Pakistan (Pvt) Limited, Shanghai Yuanyi Industry Company Limited and Pak-China Investment Company Limited held a joint meeting at the Punjab Board of Investment and Trade. The Minister for Industries, Commerce and Investment, Mian Muhammad Aslam Iqbal, Chinese Consulate General Long Dingbin and CEO PBIT, Jahanzeb Burana also participated in the joint meeting.

All participants in the meeting were briefed about the core functions of PBIT as an investment promotion agency. Aslam Iqbal stated that the government resolves to strengthen the economic bond between both countries in light of China Pakistan Economic Corridor and Belt &Road Initiative. Participants of the meeting expressed a mutual resolve to work together and take things forward in a positive manner.

Source: nation.com.pk- April 05, 2019

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'Made in Rwanda': How country is boosting textile exports

Wool is not widely used in Rwanda, but the fiber is starting to make its mark here, opening opportunities for some of the most vulnerable women in the country.

Musanze in northern Rwanda is the country's most mountainous region. It's here that the organization Handspun Hope teaches women how to make hand-made knit apparel out of merino sheep and angora rabbit wool.

Triphonie Abahire, the production manager of Handspun Hope, said they are currently the only ones in Rwanda who process wool for clothing.

"We have local sheep here in Rwanda, but people ... don't shear them," Abahire said. She said the local sheep have coarse hair that isn't suitable for yarn.

Therefore, Handspun Hope imports merino sheep from Kenya and employs local farmers to look after them. After the farmers shear the sheep, the wool is collected and brought to Handspun Hope's workshop, where it goes through many stages before products are made.

“When we are in high season, we can make even 50 sweaters per month. And in low season, we can make between five and 25,” Abahire said.

According to Abahire, Rwanda doesn’t have a market for their creations. The products are exported to the U.S., where they are sold in more than 100 boutiques for prices ranging from $28 to $225.

The textile industry in the country, like in most of east Africa, had been dormant, but then governments in the region decided to phase out and eventually ban the import of second-hand clothes, said Collins Mwai, a business analyst in Kigali, Rwanda, who has followed the country’s efforts to boost textile exports.

“What that has done is that it is giving rise to the emergence of local, small and medium-sized enterprises,” he said.

The country’s “Made in Rwanda” campaign is helping to increase exports by small and medium businesses in different industries. Since 2017, Rwanda’s total exports have increased by 69 percent.

“I think in the coming years we are likely to see a growth in export of clothes made out of fleece, of wool of sheep largely because as time goes, the women doing this will get into sort of an ecosystem,” Mwai said. “They will have cycles of productions that are more predictable because that is what guarantees entry into an international market.”

Handspun Hope’s director in Rwanda, Simon Pierre Dufitumukiza, said wool production is making an impact. “The project started in 2008,” Dufitumukiza said. “We started as an NGO, but an NGO that gives people a job.”From cutting to dying and knitting, more than 100 women work meticulously for Handspun Hope.

”These women, I think they are an indicator of how every day the Rwandan community has been expanding and bringing in previously ignored sectors, but now they’re finding ways to make an income out of it,” said Mwai.Beatrice Mukanoheri is one of those women. Since she started working at Handspun Hope, making animal shapes out of wool, she has been able to earn a steady income.

"I have benefited a lot from my job at Handspun Hope because I joined a very poor lady," Mukanoheri said. "I have a new house. I got a loan from the bank and I got running water and electricity."

Although Rwanda has one of the world's highest rates of females in the labor force, only 24 percent of the women have accounts with commercial banks. Abahire said most of her employees didn't have bank accounts until they started working for Handspun Hope.

"Now they have accounts in their bank. So they are growing, like in micro finances, they are making some savings," she said. "They are changing their life."

Source: phillytrib.com - April 05, 2019

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An Indonesian Mill Offers Creative Cotton Fabrics

In a market that craves newness and individuality, Lucky Print is offers global trends with a dash of Indonesian culture.

When we think of the textile producers, China, India, Pakistan, and Thailand usually come to mind first. Few think of Indonesia, and yet the nation is home to a growing number of high quality mills.

One of the leaders is PT Lucky Print Abadi, a weaving and finishing mill located in Jakarta. Lucky, along with its sister company yarn spinner PT Benang Citra Indonesia, offers a stable and growing resource for cotton fabrics.

"Our mill is vertically integrated, so we can offer faster delivery. We can deliver three weeks after the design is approved," said Lily Tamin, President and CEO.

Lucky Print finishes 2 million meters of printed and dyed fabric each month. That will increase to 3 million meters per month by 2020. It's weaving capacity is 1 million meters per month, and will increase to 3 million meters per month by 2020.

About 65 percent of fabric that Lucky Print makes is 100% cotton, and is bought by brands including Uniqlo, GU, H&M, JC Penny, Tom Tailor, and others. “People like cotton – both the international brands and our domestic brands. However most mills in Indonesia make polyester or rayon fabrics because we have no domestic supply of cotton,” said Ms. Tamin.

Importing cotton has the risk of price fluctuations. It takes three to four months to receive the delivery during which time the price could have changed a lot.

“Mills are always concerned about the price risk,” said Ms. Tamin. If cotton prices fall, customers expect fabric prices to be reduced as well. However, the mill might have actually paid a higher price when it ordered the cotton several months earlier. Being willing to take a risk on importing cotton has created both a challenge and an opportunity for Lucky Print. While they must find a way to cope with the price risk, they have the advantage of being one of the few suppliers of cotton fabric in Indonesia.

The demand for cotton fabric is strong throughout Southeast Asia. Most of the nations within the region have big sewing industries but they have insufficient domestic supply of raw materials. While most rely on importing fabrics from China, an increasing number are looking to Indonesia as well.

The Difference is in the Materials

Even with strong demand, fabric and yarn are still very competitive industries. Survival often comes down to product differentiation – in terms of quality and innovation. “We prefer US cotton. There’s less problems when spinning it because the quality is very consistent. This also comes through in the weaving process as well,” said Ms. Tamin.

“Buyers like to see that we are using US cotton. It has a good image and identifies us as using high quality materials in our yarns and fabrics,” she said.

“As a COTTON USA licensee, Cotton Council International provides us with a lot of support. They give us good market information and help us to meet potential buyers. They really help us to sell our products better,” she explained.

"Cotton will always be our main product. We are fortunate to have been able to work with COTTON USA since 1988. They guide us to think of the future and assist us with product development ideas and techniques. This has supported us in becoming a forward thinking textile manufacturer.

"Our consumers' fabric preference is always cotton, and we like to use COTTON USA as our main material because it has less problems, and the quality is more consistent comparatively," she said.

Ms. Tamin hopes that at some point there will be a cotton warehouse in Indonesia so mills could have better access and purchase more US cotton.

The concept has been on the table for a few years. A cotton warehouse was established several years ago, however few merchants or growers were willing to send their cotton to the warehouse. Growing demand in Southeast Asia might change this soon.

Eye on Emerging Trends

Lucky started in 1970 and is now a medium-size family-owned business. Over the years Its earned a reputation as one of the most reputable textile suppliers in Indonesia.

"We enjoy making high quality fasion products, and we continue to challenge our team to always look ahead and spot emerging new ideas in fashion. We want to be creative and innovative in developing new products that will support our global customers," said Ms. Tamin.

Lucky Print's designers do extensive global research on emerging fabric trends and work with the company's Production R&D to create the "Lucky Trend Book" twice a year. The company also collaborates with local designers and fashion schools to organise a Spring - Summer Fashion show.

"We introduce our view on the emerging fashion trends, receive a lot of feedback, and this motivates our team to create increasingly better products," said Ms. Tamin.

Source: inside-fashion.net- April 04, 2019

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NATIONAL NEWS

District-level 'ease of doing business' ranking to be launched soon: Suresh Prabhu

Minister stresses on need to attract FDI

Commerce and Industry Minister Suresh Prabhu said district level 'ease of doing business' ranking will soon be launched to ensure that smaller towns and districts become more business-friendly and have broad-based growth.

Back-ground work for ranking districts has already started and a committee has been formed for this purpose, Prabhu said at an interaction at the CII Annual Session 2019 on Thursday.

The Minister also the proposed new industrial policy, that targets an annual Foreign Direct Investment inflow of $100 billion, has been finalised and is likely to be announced by the new government.

Emphasising the need to attract more FDI that declined in the April-December 2018 period by 7 per cent to $ 33.5 billion, the Minister said India needs to have a strategy to attract overseas investments in both greenfield and brownfield projects.

"We should target those companies that can invest because they have surplus and at the same time, we must have a matching sectoral strategy where in inbound investments can be absorbed," he said.

The Minister said India's exports of goods and services would touch $540 billion and overall trade deficit was likely to decline by about $10 billion for the first time. The country's goods exports grew 8.85 per cent to $298.47 billion during the April-February period of the current financial year.

On Free Trade Agreements (FTAs) being negotiated by the country, Prabhu said the government would interact with the industry more on the issue.

Source: thehindubusinessline.com- Apr 04, 2019

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India made an offer to US to resolve trade issues: Prabhu

The commerce ministry, after consulting various departments like IT and agriculture, has made an offer to the US to resolve trade issues between the two countries, Union Minister Suresh Prabhu said Wednesday.

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

Prabhu said that whatever the US is asking from India is concerned with different ministries, including IT and agriculture.

"We have consulted all the ministries and we have given them an offer," the commerce and industry minister told PTI when asked about the steps being taken to resolve trade issues with America.

However, he did not disclose the details of the offer.

Although officials of India and the US have been negotiating a trade package, America last month announced to withdraw benefits being provided by them to Indian exports under their Generalised System of Preferences (GSP) programme.

The US has decided to go ahead with its decision to scrap the preferential trade benefit under GSP scheme after 60 days, which is expected to impact India's exports to the US worth USD 5.6 billion under this programme.

Prabhu said that in the last one year, the US exports to India have increased by about 48 per cent and it does not include defence purchases made.

He also said that India would like to buy about 1,000 aircrafts from the world and the US could be one of the potential suppliers.

Defence purchases and this kind of procurement is going to change the things dramatically with regard to trade balance, he added.

India's exports to the US in 2017-18 stood at USD 47.9 billion, while imports were USD 26.7 billion. The trade balance is in the favour of India.

When asked about the government's plan to send an official delegation to the US for holding consultations, the minister said: "we have not yet decided".

Trade experts have stated that trade dialogue will help in resolving the issues as the US is one of the largest trading partners of India. The US is one of the few countries with which India has a trade surplus.

Replying to a question about the reason behind extending the deadline again and again on imposing retaliatory tariffs on 29 US products, Prabhu said

the US has not yet stopped the GSP benefits to Indian exporters.

The government has extended the deadline to impose retaliatory customs duties on products, including almond, walnut and pulses, till May 2.

As part of the proposed trade package, India is pressing for exemption from the high duty imposed by the US on certain steel and aluminium products, resumption of export benefits to certain domestic products under their GSP, greater market access for its products from agriculture, automobile, automobile components and engineering sectors.

Source: business-standard.com- Apr 04, 2019

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RBI reduces repo rate by 25 bps to 6%

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) has reduced the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points (bps) to 6.0 per cent from 6.25 per cent with immediate effect.

Consequently, the reverse repo rate stands adjusted to 5.75 per cent, and the MSF rate and the Bank Rate to 6.25 per cent.

The MPC took the decision on the basis of an assessment of the current and evolving macroeconomic situation. The first bi-monthly Monetary Policy Statement, 2019-20 said that the MPC also decided to maintain the neutral monetary policy stance.

The latest decisions of the MPC "are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth," an RBI statement said.

The Monetary Policy Statement listed several uncertainties that cloud the inflation outlook. First, with the domestic and global demand-supply balance of key food items expected to remain favourable, the short-term outlook for food inflation remains benign. However, early reports suggest some probability of El Niño effects in 2019. There is also the risk of an abrupt reversal in vegetable prices, especially during the summer months.

Second, inflation in fuel group items, particularly electricity, firewood and chips saw unprecedented softening in the second-half of 2018-19. There is, however, uncertainty about the sustainability of this softening in inflation in fuel items, the statement said.

Third, the outlook for oil prices continues to be hazy, both on the upside and the downside. On the one hand, continuing OPEC production cuts will reduce supplies. On the other hand, there is considerable uncertainty about demand conditions. Should there be a swift resolution of trade tensions, a pick-up in global demand is likely to push up oil prices. However, should trade tensions linger and demand conditions worsen, crude prices may fall from current levels, despite production cuts by OPEC.

Fourth, inflation excluding food and fuel has remained elevated over the past twelve months with some pick up in prices in February. However, should the recent slowdown in domestic economic activity accentuate, it may have a bearing on the outlook for inflation in this category.

Fifth, financial markets remain volatile reflecting in part global growth and trade uncertainty, which may have an influence on the inflation outlook. Sixth, the fiscal situation at the general government level requires careful monitoring.

Hoping that the reduction of interest will pave way for the growth of investment and exports, Tiruppur Exporters' Association (TEA) president Raja M Shanmugham requested banks to pass on reduction of policy repo rate by RBI to exporting units.

"By taking into account of this (latest RBI decision), all banks will come forward to pass on the reduction of interest rate to the borrowing units, which is desperately required for the knitwear garment exporting units, particularly to MSME exporting units which are suffering further to macroeconomic changes," Shanmugham said.

Source: fibre2fashion.com - Apr 04, 2019

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FTA is key to resolving India-US trade disputes, says advocacy group

An India-US FTA would be able to address the Indian concerns over import of Chinese goods.

A free trade agreement between India and the US is a key to resolving their trade disputes as it will cover biggest irritants in ties including tariffs and mobility of Indian professionals, a top American business advocacy group has said.

Observing that the relationship between India and the US in the last five years has progressed tremendously, the advocacy group said the interest of the two largest democracies of the world are much more aligned than ever.

"The challenge which we have is that we need to work out a trade deal. And when you look forward next five years, I believe India should sign an FTA with the US. Once you have FTA, all this issue of tariffs will go away," Mukesh Aghi, president and CEO of the US-India Strategic Partnership Forum (USISPF), told PTI.

An India-US FTA, he observed, would be able to address the Indian concerns over import of Chinese goods.

"Because we are concerned about Chinese goods coming to India, that under WTO guidelines, everything with the FTA, India can put as much tariff, it has no impact on US tariffs itself," he said.

"The FTA once signed should have what I call mobility on H-1B. You give FTA partner more exception," he said adding that going forward the two countries need to be creative and bold and drive this relationship on a path where there's much more better understanding on the trade side.

The H-1B visa programme, popular among Indian technology professionals, allows foreign workers to obtain temporary authorisation to work and stay in the US.

While there has not been much talks between the two countries on this issue, Aghi said he believes that FTA is key to resolving the trade disputes.

"Within the FTA, you can have BIT (bilateral investment treaty) also. It covers a lot of stuff. It takes the biggest irritants in the relationship out," he said.

"It provides mobility to Indian professionals who could come into US and work. It provides almost zero tariff for US goods coming into India. I think this has to be a bold move on part of the new government whoever comes in," Aghi said.

With India into an election mode, where the government of the day cannot take any major policy decision due to the enforcement of the model code of conduct, Aghi said this would be the recommendation of the USISPF to the new government to "be bold about it, start discussion FTA with the US because for this president (Donald Trump) trade is the biggest thing."

If the two countries are able to quickly put an FTA together, where it has impact on mobility of professionals, it's a win-win situation, he asserted.

When asked if the two countries are on a collision course on trade and tariff issues, Aghi said, "There is a danger, that the tail is going to start wagging the dog itself and we got to avoid that."

"I also sincerely believed that there's enough maturity, we'll find a way to solve this issue out, because at this stage India cannot afford to get into a trade collision with the US neither can US. So, we have to find ways to short out these issues," Aghi said.

Observing that tariff is one aspect of the trade dispute.

Trump has repeatedly claimed that India is a "tariff king" and imposes "tremendously high" tariffs on American products.

Steel tariff, Generalized System of Preferences (GSP) are issues, he said,

On March 5, the US decided to withdraw import duty benefits, which was in the range of 1-6 per cent, under its GSP programme.

"I think, the e-commerce policy, the way it was handled is an issue. Data localization is a challenge. We need to look at overall, a process which protects both countries' interest and find a common ground to have a win win value proposition," he said.

Responding to a question, Aghi said some of the policies coming from India in recent past are protectionist in nature.

"It has to do either the election now or others. It doesn't help. For example, medical devices. Yes, we put two price cap on them, but at the end, the consumer still paying the same," he said, adding that it still has not been solved.

"As we move forward next five years whoever comes in, should focus on a driving an FTA, which should take a lot of this irritants out in the relationship," said the USISPF head.

He refuted the impression in some quarters in India that that Indian policy is in reaction to protectionist measures from the US.

While India has made lots of efforts in last five years, it has moved slightly towards being more protectionist, Aghi said.

Source: economictimes.com - Apr 04, 2019

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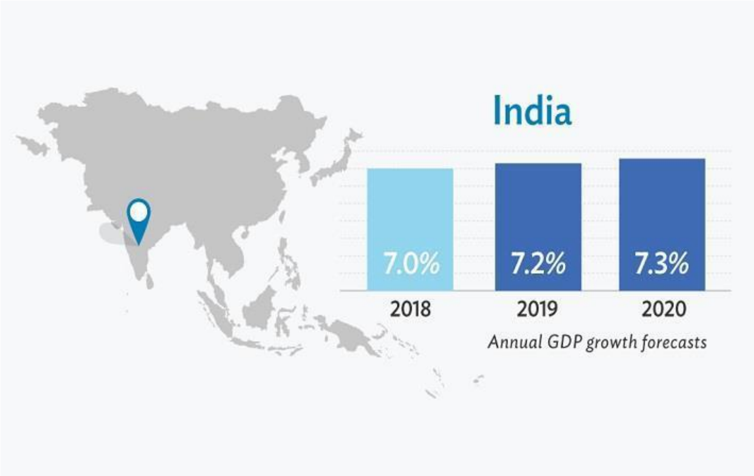
Domestic demand to lift India's growth in FY19 & FY20: ADB



Recent policy measures by the government to improve the investment climate and boost private consumption and investment will help India to lift economic growth in the next two fiscal years, according to a new report from the Asian Development Bank (ADB). Declining fuel and food prices are also expected to provide an impetus for domestic consumption.

Reversing two years of declining growth, India's gross domestic product (GDP) is projected to rise to 7.2 per cent in fiscal 2019, says ADB's Asian Development Outlook (ADO) 2019. GDP if further expected to rise to 7.3 per cent in FY20 as reforms to improve the business and investment climate take effect. ADO is ADB's annual flagship economic publication.

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

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

ADO 2019 mentions that income support to farmers, hikes in procurement prices for food grains, and tax relief to tax payers earning less than ₹5,00,000 will boost household income.

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

The ADB expects India's current account deficit to widen a bit to 2.4 per cent of GDP in FY19 and 2.5 per cent of GDP in FY20. "The deficit is expected to be financed comfortably by capital flows, given that India has emerged as an attractive destination for foreign investment," the report adds.

Source: fibre2fashion.com- Apr 05, 2019

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Why textile cluster near Surat incurring heavy losses daily

One of the biggest textile clusters of India which had been developed near Surat is incurring daily production loss of nearly 30% due to labour shortage. This is happening when textile units are flooded with orders due to peak summer season.

Annual turnover of Surat-based textile units is pegged at `40,000 crore. All these units are heavily depend on migrant labourers. Nearly half of the labour force have gone on a prolonged vacation since Holi. Most of these labourers have not returned to work, citing reasons of marriage season and Lok Sabha elections.

"Majority of migrant labourers are coming from Uttar Pradesh, Bihar, Odisha and Rajasthan. Every year, they go to their natives during Holi and returned to work in 15-20 days.

However, this year most of the labourers preferred to take a prolonged vacation in wake of Lok Sabha elections and marriage season," said Dev Kisan Mangani, chairman, textile committee of South Gujarat Chamber of Commerce and Industry (SGCCI).

Textile units in Surat are flooded with orders of fabric, dress materials, sarees and home furnishing due to peak marriage season and vacations, said Mangani, adding, "Most of the textile units are short of 30% production due to labour shortfall.

On an average, daily minimum dispatch of textile from Surat to other cities is around `125 crore, but the traders are hardly supplying `90 crore worth of textile goods."

The industry is often plagued with labour absenteeism in case of natural calamities or man-made disasters in the states from where migrant labourers are hailing, said Mangani, adding that the permanent solution was to provide affordable housing to these labourers in the vicinity of Surat instead of their respective villages under schemes like Pradhan Mantri Aawas Yojana. "Such measues would ensure the labourers wouldn't lose their wages and at the same time textile industry would thrive."

Mandap cloth manufacturers in Surat and its neigbouring places are also facing the similar issue. Labourers have not returned to work and are on extended leave in wake of polling in their respective areas, said Devkumar Sancheti, president of Surat Mandap Cloth Association.

Surat is the biggest manufacturer of mandap cloths in the country with more than 250 units manufacturing only mandap cloths. According to Sancheti, there are nearly 1,000 other units which are manufacturing mandap cloths as well as other fabrics.

Surat's textile cluster consist more than 6.50 lakh power looms, nearly 4.50 lakh process houses and about 70,000 traders who adds value in terms of making dress material, sareers and ready-made garments.

Source: financialexpress.com- Apr 05, 2019

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New government to announce the proposed industrial policy: Suresh Prabhu

Though the ministry has sent the final proposal of the policy to the Cabinet, but it was not taken up for consideration.

Commerce and Industry Minister Suresh Prabhu Thursday said the proposed new industrial policy has been finalised and the new government would announce that. "We have finalised the industry policy. I am sure that the new government will announce that soon," Prabhu said at CII's Annual session 2019.

Though the ministry has sent the final proposal of the policy to the Cabinet, but it was not taken up for consideration. It aims at promoting emerging sectors and modernising existing industries. It will also look to reduce regulatory hurdles, cut paper work and support emerging and new sectors.

The ministry has planned to set up an elaborate machinery including a steering committee for effective implementation of the policy. This will be the third industrial policy after the ones released in 1956 and 1991. It will replace the industrial policy of 1991 which was prepared in the backdrop of the balance of payment crisis.

Talking about increasing foreign direct investment (FDI) into India, he emphasised on the need to have a proper strategy to attract overseas inflows in greenfield as well as brownfield projects.

"We are trying to bring in more FDI. FDI will come either in greenfield area or it could be through acquisition. So, we must prepare a strategy on both... We should target those companies that can invest because they have investable surplus and same time, we must have a matching sectoral strategy wherein inbound investments can be absorbed," he said.

FDI in India during April-December 2018 declined by 7 per cent to USD 33.5 billion.

He also listed out steps which the ministry has taken to boost exports and further improve ease of doing business particularly as district level. He said that in 2018-19, India's exports of goods and services would touch about USD 540 billion.

The country's exports grew 8.85 per cent to USD 298.47 billion during the April-February period of 2018-19. Further, he added that thousands of start-ups have been recognised by the ministry and it is also working on removing hurdles in their path to promote budding entrepreneurs.

Talking about free trade agreements (FTAs), Prabhu said the ministry is in the process of preparing a template to negotiate future agreements by involving all concerned stakeholders. Industry has raised concern that FTAs which was signed by India is not benefitting domestic players.

On a question that ease of doing business is not visible on the ground, the minister said they are working at district levels to improve business environment.

Source: economictimes.com- Apr 04, 2019

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Cotton crunch: Maharashtra ginning units working at 40% capacity

With cotton prices currently in the range of `6,100-6,200 per quintal and stock in short supply, ginning units in Maharashtra are finding it difficult to source it for their units.

The 150-odd units in Khandesh — one of the major cotton processing regions in the state — are working at 30-40% capacity.

Pradeep Jain, president, Khandesh Cotton Gin/Press Owners Association, said there was very little cotton left in the market and what was left is of poor quality with reduction in weight.

Arrivals were meagre and barely 15% stock might be left with farmers in Khandesh region, he said.

According to market reports, some 55-60 lakh bales are still with farmers across the country. According to industry estimates, there could be a shortage of some 32-33 lakh bales this season. Jain said normally, the units in Khandesh region have the capacity to process some 30-35 lakh bales during a season.

In December 2018, the units were running at 50% capacity on weak arrivals. Prices are firming up and likely to remain in this trend, with stock in short supply due to drought.

The cotton inventory with the government agencies is also reported to be lesser by 30% as compared to the previous season. Currently, farmers in Gujarat, Maharashtra, Telangana, Odisha, Tamil Nadu and Madhya Pradesh still have some stock left. Farmers in Haryana, Punjab and Rajasthan have little or no cotton with them.

Maharashtra processes about 80 lakh bales annually. Around 60,000 labourers are working in these units and the majority of these are located in Marathwada region.

The state has a capacity of producing 1 crore bales. Significantly, the Cotton Corporation of India (CCI) has already commenced the sale of the commodity procured by the agency in the current marketing season under the government Minimum Support Price procurement programme. There has been a sharp decline in market arrivals in recent weeks.

Since early March, prices have strengthened by `3,000 a candy (356 kg each) to `44,500 and spot prices are in `45,000-45,500 per candy. After 26% year-on-year increase in 2018-19, the MSP for medium-staple variety of cotton is at `5,150 per quintal and that for long staple at `5,450. After conversion, the MSP equivalent price comes at `41,000-42,000 per candy.

CCI could purchase only 10.7 lakh bales under the MSP scheme. Over 70% of the procurement has been from Telangana and Maharashtra. Market arrivals till April 1 stood at 254 lakh bales of 170 kg each.

The Cotton Association of India, the apex trade body, had pegged the crop size at 328 lakh bales for the year. Some 2 lakh bales have been exported to Bangladesh. Another 40 lakh bales have been exported to Vietnam, China and Bangladesh, among others. Another 5-6 lakh bales are expected to be exported, according to reports.

Source: financialexpress.com- Apr 05, 2019

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Indian University Works to Grow Cotton in Red, Blue, Yellow Hues

A university in India is leveraging biotechnology to grow cotton in red, blue and yellow colors in an effort to curtail the rampant use of chemical dyes in the textile industry.

Punjab Agricultural University (PAU) has signed a Memorandum of Understanding with Japan's Nippon Steel and Sumikin Bussan Corporation (NSSB) to develop naturally colored cotton using the genes responsible for color production in ornamental plants. Sakae Suzuki, a Tokyo University of Agriculture and Technology scientist who successfully cloned the pigment genes, will serve as a project collaborator.

Cotton typically grows in white—or, less extensively because of their lower yields and shorter staple length—in shades of brown, copper and green. Speaking to the Hindustan Times, PAU vice chancellor Baldev Singh Dhillon recalled how cotton grown in Punjab in the '50s was khaki in color and "never underwent the dyeing process."

"The colored cotton varieties will ensure better economic returns for the farmers, reduce extensive use of chemical dyes by the textile industry and also lead to reduction in environmental pollution," Dhillon said.

He anticipates the innovation will stir up no small amount of interest from environmentally conscious consumers. It might even jump-start a new trend of non-dyed clothing.

NSSB has a commercial interest in textiles because it imports cotton yarn from India through Nahar Spinning Mills, which is owned by the Oswal Group of Ludhiana. The new varieties, which will be bred into high-yield varieties of cotton suitable for growing in India's climate, will be available in four to five years' time, Dhillon said.

"PAU is known for its strength in developing superior crop varieties and use of biotechnological tools for speeding up [the] breeding process," Navtej Singh Bains, director of research at PAU, said during the inking of the deal in Ludhiana last month. "An interest in the development of cotton varieties with specific quality characteristics led the NSSB to PAU."

Source: sourcingjournal.com- Apr 04, 2019

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Containers handled at major ports up 8% at 9.876 million TEUs in FY19

The total cargo, including containers handled by the 12 ports, rose 2.9 per cent to 699.048 million tonnes from 679.371 mt in FY18

India's 12 state-owned ports loaded a combined 9.876 million 20-foot equivalent units or TEUs in the year to March 2019, 8.08 per cent more than the previous year. In FY18, the dozen major ports handled 9.138 million TEUs.

Containers handled at major ports are expected to cross the 10 million TEU mark this fiscal.

Jawaharlal Nehru Port Trust (JNPT), India's biggest container port, retained the pole position among the major ports in container handling, ending the year with a volume of 5.133 million TEUs against 4.833 million TEUs in FY18, followed by Chennai Port Trust with 1.620 million TEUs against 1.549 million TEUs in FY18. Kolkata Port Trust held the third spot with 830,000 TEUs from 796,000 TEUs in FY18.

The total cargo, including containers handled by the 12 ports, rose 2.9 per cent to 699.048 million tonnes from 679.371 mt in FY18.

The largest jump in commodities was in coking coal shipments (used in steel-making), which jumped 14.25 per cent during FY19, to reach 57.508 mt, from 50.337 mt a year earlier.

Thermal and steam coal shipments (used by power plants) rose 9 per cent during the year to 103.843 mt, from 95.266 mt a year ago.

Petroleum, oil and lubricants, including crude oil, products and LPG/LNG shipments, grew 2.52 per cent to 232.378 mt from 226.676 mt in FY18.

Iron ore shipments registered a decline during the year, a drop of 16.18 per cent to 40.685 mt from 48.541 mt in FY18.

Shipments of raw fertiliser cargo declined by 7.21 per cent to 6.987 mt from 7.530 mt, while that of finished fertilisers jumped 9.69 per cent to 8.256 mt from 7.527 mt, the Shipping Ministry said.

Deendayal Port Trust (formerly Kandla Port Trust) retained the top slot in overall cargo handling by loading 115.402 mt, followed by Paradip Port Trust with 109.275 mt. JNPT was in third spot at 70.706 mt.

Cargo handled at Mormugao Port Trust fell by 34.26 per cent – the biggest drop among the 12 ports – to 17.682 mt.

Source: thehindubusinessline.com- Apr 04, 2019

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India's export basket shows a welcome tilt to higher value-added manufacturing, tech driven items: RBI

India is now exporting more of higher value-added manufacturing and technology-driven items, says RBI's MPS.

It is evident that export slowdown is broad-based in nature and impacts most of India's traditionally strong export segments.

The changing colour of India's export basket is giving a cue to the country's new trade dynamics. One interesting observation noted in the Reserve Bank of India (RBI) first bi-monthly monetary policy statement (MPS) 2018-19, relates to a shift in the country's exports basket -- a clear swing away from primary and traditional low value-added exports to higher value-added manufacturing and technology-driven items.

A comparison of key items of exports between 2011-12 and 2018-19 (April-February) reveals that there has been a significant increase in the shares of chemical and related products and engineering goods, and such a shift has imparted a measure of resilience to export demand in a hostile international trading environment, says RBI's policy statement issued today.

This comes as India's exports face tepid growth. RBI says against the backdrop of slowing global trade and commerce-inhibiting trade tensions, India's merchandise exports (y-o-y) moderated during Q2 and Q3 of 2018-19 relative to Q1.

Attributing the shift to nothing but a slowdown noticed during the last 5-6 months in chemical items' exports from China to its major trading partners, Satish Wagh, Chairman, Chemexcil, says, "In recent months, major Chinese trading partners including the EU has raised environment-related concerns (with it) and this development has worked in favour of Indian exporters and India is now being regarded as a stable and quality destination for chemical-based items."

Highlighting that China's administration has also tightened norms in the wake of the explosion at Chemical factory last month in Yancheng city, in the eastern Jiangsu province that resulted in the death of more than 75 people, Wagh added that the blast - one of the worst industrial accidents in China in recent times, has also shaken the confidence of Chinese suppliers significantly.

During Q2, the slowdown in Indian exports was accentuated by a decline in shipments of readymade garments, rice and marine products; in Q3, exports growth was pulled down by gems & jewellery, engineering goods, and meat, dairy & poultry.

It is evident that export slowdown is broad-based in nature and impacts most of India's traditionally strong export segments.

Ajay Sahai Sahai, Director General & CEO, Federation of Indian Export Organisations (FIEO), however, believes that for all export profiles of a developing country like India, an equal thrust on both the sunrise sectors and traditional ones should be the way forward.

"We need to acknowledge that it's the traditional sectors that help in creating jobs. Going forward, for securing foreign exchange for the country, neither we can solely depend on traditional sectors, nor solely on sunrise and knowledge-based sectors," said Sahai, adding that while knowledge-based segments such as IT, Pharma, automobile etc, should be encouraged, a thrust on traditional domains such as gems and jewellery, textiles and leather etc, needs to be equally followed.

Riding high on the back of the current dispensation's policy initiatives such as hikes in the interest equalisation rates for micro, small and medium enterprises (MSME) exports from 3 per cent to 5 per cent as well as measures announced in the Agriculture Export Policy (2018), the RBI hopes it will provide a further fillip to exports.

"Under services, software exports rode on the upside of a significant improvement in export revenues of major IT companies in Q3. Optimistic forecasts of global IT spending in the next two years also portend well for the outlook of software exports. Lower outgo under income account also helped in containing CAD in Q3," said RBI.

Source: economictimes.com- Apr 04, 2019

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India's 2nd fastest digitising economy in world: McKinsey

Apart from boosting sectors like information technology, digital communication and online retail, the Indian economy's fast-growing digitisation can transform other areas like financial services, agriculture, logistics and education, says a new study by McKinsey Global Institute, which found India to be second fastest digitising economy after Indonesia.

The study covered 17 other mature and emerging economies, including the United States, the United Kingdom, China and Brazil. The average Indian social media user spends 17 hours on such platforms each week, more than such users in China and the United States.

India had 560 million connected internet users, and citizens downloaded 12.3 billion mobile applications in 2018, more than any other country except China.

The opportunity for leapfrogging is available to the poorest sections of society, as the lowest income states have seen the biggest jump in mobile internet subscribers, the study found.

"This is not just about start-ups, but also incumbents who are able to use technology to drive 30-40 per cent change in business outcomes," said Alok Kshirsagar and Anu Madgavkar, co-authors of the report.

This digital economy is also expected to drive change in the nature of work. About 60-65 million jobs could be created by the productivity surge by 2025 in sectors like construction, manufacturing, agriculture, trade, hospitality, finance, media and logistics.

But at the same time, this change may also need redeployment or loss of 40-45 million jobs like data-entry operators, bank tellers, clerks, insurance claims and policy-processing staff, all of which may get automated.

Source: fibre2fashion.com - Apr 05, 2019

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Workshop on e-Sanchit portal

The Apparel Export Promotion Council, in its bid at educating the trade about the e-Sanchit portal, organised a workshop in Tirupur recently.

The speakers highlighted the changes in procedures for import certificate from April 1.

A Sakthivel, Vice-Chairman, AEPC. said exporters would now be able to overcome unnecessary time delay as the import certificate can be uploaded on the customs portal directly.

With all customs related works made completely online, exporters will be able to get it from anywhere in the country. The Council plans to organise such workshops in all its offices.

Source: thehindubusinessline.com- Apr 04, 2019

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