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IBTEX No. 130 of 2019 July 05, 2019

SD 68.75| EUR 77.54 | GBP 86.48 | JPY 0.64

Cotton Market

Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm

Rs./Bale	Rs./Candy	USD Cent/lb
21292	44500	**82.53**

Domestic Futures Price (Ex. Warehouse Rajkot), July

Rs./Bale	Rs./Candy	USD Cent/lb
21470	44872	**83.22**

International Futures Price

NY ICE USD Cents/lb (December 2019)	67.25
ZCE Cotton: Yuan/MT (September 2019)	13,800
ZCE Cotton: USD Cents/lb	91.09
Cotlook A Index – Physical	**78.35**

Cotton Guide: The domestic prices of Shankar 6 has seen a bit of decline with the selling pressure coming in from the Ginners as they continue to offload their stocks. Average price of Shankar 6 is quoted around 44,500 Rs/Candy. The prices of J-34 are quoted around 4,800 Rs/Maund. Both The Cotlook Index A and Cotlook Forward Index A remained unchanged at 78.35 cents/lb and 77.65 cents/lb respectively.

ICE was closed yesterday due to Independence Day Holiday in the USA. MCX contracts concluded with lower volumes. The volumes were seen at 1271 lots as compared to the volumes seen on Wednesday which were almost similar. The volumes seen on Wednesday were also lower at 1250 lots.

The prices, however, seemed to settle with uncertain market sentiments thus being unsure and not displaying a clear trend. For MCX, we have now ventured into such a situation where the psychological tendencies of market participants towards the changing fundamental conditions have to be studied rather than studying the fundamentals itself.

This morning while we write the report at 8:30 am, the ICE December contract is trading in green color with slight changes compared to the previous settlement price. Currently ICE December contract is trading at 67.33 cents/lb with a change of +0.12%.

Overall this month the prices of cotton have remained range bound with the exception of the positive slant of around 2 cents which came in with the news of the US China agreeing to somewhat not worsen the situations for each other.

However, today's export sales data and on call reports can shed light on whether the Chinese Buyers are really contracting for cotton (with USA) or not. On the other hand there still lies a series of unclear questions on whether China would waiver the import duties previously imposed on US agri-commodities to boost its buying.

For today we expect the MCX contracts and ICE contracts to be consolidated with a bias – downwards, as we are not expecting China contracting so soon with the US. We are presuming the export sales data to be weak although with a slight improvement as compared to the previous reports.

The USDINR has been volatile ahead of the Budget in India. The pair, therefore, could breach support at 68.35 on pro-growth budget. This could be appealing to market participants seeking imports into India.

On the technical front, ICE Cotton futures continued to trade sideways as it failed to hold on the rally and witnessed decline towards 9 day EMA at 66.70 level. Price is still going nowhere and consolidating in the same range of 68-65. Meanwhile RSI in the daily charts has moved above the 50 level, suggesting sideways trend in the market. However, price need to sustain above the crucial resistance zone of 68-69, to move further higher towards 70-72 levels. Likewise, crucial support exists around 66.70, followed by 65.50 level. The trading range would be around 21,350-21,650 Rs/Bale.

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

China, Bangladesh agree to advance cooperation under BRI

China and Bangladesh on Thursday agreed to advance their cooperation under the multi-billion dollar Belt and Road Initiative (BRI) as Prime Minister Sheikh Hasina held wide ranging talks with her Chinese counterpart Li Keqiang to further consolidate the bilateral ties and signed several agreements.

On her first visit to China after her re-election, Hasina, who was accorded a red carpet welcome, held talks with Chinese Premier Li during which a consensus was reached to step-up cooperation under the BRI, official Chinese media reported.

After the talks, Li and Hasina witnessed the signing of bilateral cooperation agreements in different sectors ranging from aid for the Rohingyas, economic and technical cooperation, investment, power, culture, tourism and water conservancy.

China agreed to provide 2,500 tonnes of rice to the forcibly displaced Rohingyas from Myanmar, Foreign Secretary Md Shahidul Haque told Bangladesh's state-run BSS news agency.

In his talks with Hasina, Li stressed that China stood ready to better synergize the BRI with Bangladesh's development strategy and speed up mutually beneficial cooperation in various fields.

He called on the two sides to work together to build the Bangladesh-China-India-Myanmar (BCIM) economic corridor in a bid to connect the market covering nearly three billion people.

The reference to the BRI and the BCIM by Li is regarded significant from India's point of view.

Under the BRI, China has been routing most of its investments through its multi-billion-dollar global project aimed at financing and building infrastructure projects, especially in developing countries to enhance its influence across the world.

The BRI investments were criticised by the US as debt trap especially after Sri Lanka handed over its Hambantota port as debt swap to China in 2017.

The controversial USD 60 billion China-Pakistan Economic Corridor (CPEC) and BCIM are the components of the BRI, which was mooted by Chinese President Xi Jinping in 2013. While the CPEC regarded as the flagship project of the BRI took off, the BCIM failed to make headway.

India has protested to China over the CPEC as it is being laid through Pakistan-occupied Kashmir.

China lately is making efforts to revive the BCIM.

After a long gap, Xi raised the BCIM project during his meeting with Prime Minister Narendra Modi at Bishkek on the sidelines of the Shanghai Cooperation Organisation summit early this month.

The 2800-km BCIM corridor proposes to link Kunming in China's Yunnan province with Kolkata, passing though nodes such as Mandalay in Myanmar and Dhaka in Bangladesh before heading to Kolkata.

With an estimated USD 31 billion investments, China has emerged as a major investor in Bangladesh - mainly in the infrastructure and energy sectors - raising concerns in India over growing Chinese influence in the region.

The rapid expansion of Chinese investments in Bangladesh were regarded as the second highest by Beijing after the USD 60 billion CPEC.

During his talks with Hasina, Li also expressed expectation to discuss feasibility of joint study on the free trade agreement, increase import of Bangladeshi high-quality products meeting the needs of the Chinese market, promote balanced development of trade, and facilitate bilateral investment and personnel exchanges.

China will continue to provide assistance within its capacity for Bangladesh's development, Li added.

Hasina said both sides are committed to peace, stability, mutual benefits, and settlement of disputes by peaceful means.

She said Bangladesh was advancing the goal of "Sonar Bangla" at present, reiterating that her country was willing to actively participate in the joint construction of BRI, accelerate the building of the BCIM, press ahead regional connectivity, beef up cooperation on trade, investment, service and infrastructure, so as to jointly embrace an even better future, Xinhua news agency reported.

Hasina began her visit on July 3 by taking part in Summer Davos meeting held at the Chinese city of Dalian.

She is also scheduled to meet Xi before winding up her visit on Friday.

China in recent years has ramped up its investments in Bangladesh especially after the visit of Xi in 2016.

China's investments in Bangladesh included the construction of 6-km long bridge across the Padma river, as the Ganga is known in the country, costing about USD 3.7 billion and the USD 2.5 billion power plant at Payra near Dhaka.

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

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Removal of US tariffs on Chinese exports should be part of any trade deal: China

Trump is also insisting China to workout verifiable measures for the protection of the intellectual property rights (IPR), technology transfer and providing more access to American goods to the huge Chinese markets.

China on Thursday said the removal of tariffs by the US on over USD 250 billion Chinese exports should be part of any trade deal between the two countries, as the world's two largest economies plan to resume talks to end the bruising trade war.

US President Donald Trump and his Chinese counterpart Xi Jinping met in Osaka in Japan on the side-lines of the G20 summit on June 29 during which they agreed to resume the negotiations to finalize a trade deal.

Beijing earlier welcomed Trump’s decision not to impose tariffs on the remaining about USD 300 billion dollars of Chinese exports. Trump, who earlier banned the use of Chinese telecom giant Huawei products in the US networks, has said that American firms could sell their products to Huawei “where there is no great national emergency problem with it”.

Following the Trump-Xi meeting in Osaka, both the countries agreed to resume trade talks which broke down in May this year after the 11 rounds. Trump kicked off a trade war last year demanding China to the reduce massive trade deficit, which climbed to over USD 539 billion. Trump is also insisting China to workout verifiable measures for the protection of the intellectual property rights (IPR), technology transfer and providing more access to American goods to the huge Chinese markets.

Both the countries have imposed additional tariffs on billions of dollars’ worth of their exports to each other. The US has already imposed 25 per cent duties on more than USD 250 billions of imports from China. Commenting for the first time on the resumption of the stalled trade talks, Gao Feng, spokesperson for China’s Ministry of Commerce on Thursday, called for lifting of the existing tariffs on Chinese products by the US.

“Sino-US trade tensions resulted from the imposition of tariffs on Chinese products by Washington. If China and the US were to eventually reach a trade deal, the existing US tariffs should all be lifted, and the agreement must be mutually beneficial, bidirectional and balanced, in which China’s core concerns must be met. China’s attitude is specific and consistent,” Gao said.

China apparently apprehend that Trump may still retain some of the tariffs on Chinese exports even after a trade deal as he said on March 21 that he wanted some tariffs to remain in place for a “substantial period of time”, even extending beyond any trade deal. Gao said the Chinese and US teams are in close contact for resuming trade talks but gave no time-frame.

“China hopes the two sides can avoid escalating trade tensions by maintaining equality and mutual respect, which is in line with the agreements reached between the two countries’ leaders on the side-lines of the G20 Osaka Summit last week,” Gao told reporters here. He also urged the US to fulfil its promise that “US companies can sell their equipment to Huawei,” the state-run CGTN quoted him as saying.

After a ban by Trump, Google has said it would not use its services to phones made by Huawei in future. Google's move to curtail access to its Android operating system means that the Shenzhen-based company will no longer be able to run Google's popular apps and services such as Gmail, YouTube or its Google Play app store, on future Huawei devices.

Huawei has said it may lose about USD 30 billion revenue in the next two years as a result of US ban and Washington's campaign among allied and friendly countries on a ban on use of the products of the Chinese telecpm giant on security grounds.

Source: financialexpress.com- July 04, 2019

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Vietnam, Taiwan organise forum to promote textile cooperation

The Vietnam Chamber of Commerce and Industry recently collaborated with the Chinese National Federation of Industries to organise the Vietnam-Taiwan Industrial Collaboration Forum. The event will connect leading enterprises in the fields of textile, light industry, automation, smart city and other applications. At present, the most intimate textile exchange and trade is happening between Taiwan and Vietnam.

In future, the two parties will exchange newest international fashion trend, of which, Taiwan will introduce the highest quality nano-fabric researched and developed by Taiwanese firms to Vietnam, promoting the cooperation between two sides to come into reality.

Vietnam is the largest importer of Taiwanese-made fabric while Taiwan is the second largest territory in importing garment products of Vietnam with import turnover at nearly $400 million last year. As the price of Taiwan's functional fabrics is higher than that imported from China, so export value of products made of Taiwanese functional fabrics will increase, helping Vietnam to hold a key position in global supply chain.

Source: fashionatingworld.com- July 04, 2019

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US-Egypt trade exchange approaches $3bn in the first 4 months of 2019: AmCham

The trade volume between Egypt and the United States approached $3bn during the period January-April 2019, up 27% when compared to the same period in 2018, the new President of the American Chamber of Commerce in Egypt (AmCham Egypt), Sherif Kamel, said.

"Egypt and the US have been enjoying a long strategic partnership for many years and we have a good, evolving and promising economic story to share with the US business community which can lead to more cooperation in different sectors of the economy," he noted, adding that the bold reform measures taken by the government of Egypt coupled with the improving macroeconomic indicators are encouraging US companies and others to look at the various opportunities in the marketplace.

Daily News Egypt interviewed Sherif Kamel for his first interview with the media since assuming office.

How do you assess Egypt's relations with the US with a particular focus on the business side?

The Egypt-US relations date back a very long time. The collaboration between the business community in specific in both countries is diverse and is actively present in different sectors creating business, trade and employment opportunities. Moving forward with the steadily improving business and investment climate, I expect US companies already operating in Egypt to increase their investments as well as other US companies becoming interested because of the massive opportunities that Egypt offers given the size and the potential in the market. This is usually manifested during the regular AmCham visits to the US as well as during the business missions organised by the US-Egypt Business Council to Egypt.

What is the amount of trade exchange between Egypt and the US during the first four months of 2019?

The US is among Egypt's largest trade partners with a value of $6.9bn in 2018, ranking second after China. This accounted for nearly 3% of the GDP in fiscal year (FY) 2017/18 and 4% of the Middle East and North Africa (MENA)-US trade volume in 2018, registering double-digit growth supported by a 52% increase in exports to the US and a 27% increase in imports from the US to Egypt. It is worth noting that Egypt is the US's 40th largest importer and ranks 64th among exporters to the US.

The trade volume between Egypt and the US approached $3bn during the first four months of 2019, up 27% from the corresponding period of 2018. The trade deficit widened by 14% as a consequence of imports surging by $400m (22.5%) from $1.69bn to $2.1bn, while exports rose by only $228m (34%), from $664m to $892m. Non-petroleum exports comprised of 80.2% of total Egyptian exports to the US, increasing by 44% over the same period. Egypt's top non-petroleum exports to the US are textiles and clothing, iron and steel, and aluminium products.

Egypt's top imports from the US are soybeans (mainly from Louisiana), civilian aircraft (mainly from Washington), and wheat (mainly from Louisiana and Texas). According to Egypt's Ministry of Investment and International Cooperation, the stock of US direct investment in Egypt stood at $22bn in 2018. The Apache Corporation is the largest American investor in Egypt, with current investments totalling over $18bn. In 2018, there were a total of 1,576 companies with US capital operating in the Egyptian market, of which 91 companies were new entrants in that year. Around 92% of total US investment in Egypt is concentrated in energy and mining.

American firms are active in most non-petroleum economic sectors as well, with their greatest participation in financial services and manufacturing. According to the Central Bank of Egypt (CBE), the US ranked the third largest (after the UK and Belgium) in terms of investment inflows with a value of $1.07bn or 16% of total foreign direct investments (FDIs) inflows to Egypt over the first half (H1) of FY 2018/19.

Can you shed some light on your background and how you see the direction of AmCham Egypt in the next few years?

I started my career working for the Cabinet of Egypt Information and Decision Support Center, then moved to work in consulting for the private sector and international organisations while engaging with several private sector initiatives and projects then I made the switch to academia. In academia, besides teaching, I have been leading executive education then became the dean of the school of business at the American University in Cairo. The way I see it, a dean of a business school in today's time and age is in fact a CEO of an enterprise; that is the only way to make the school current, competitive, and agile.

The ecosystem of a business school is not only about on campus academic programmes but more importantly, it is about serving and extending different activities and offerings to the community. There are four key areas to serve the young and growing community in Egypt which are entrepreneurship and innovation as a mindset–which is extremely important for our economy and to encourage and boost the private sector–responsible business–which is how to give back to the community and to engage with a value-added impact–while the fourth interest is inclusive development which cuts across the whole economy and improves its indicators with a positive impact on the population at large as we move forward.

Throughout my career, I was fortunate to have had a diversified experience having worked in academia, the private sector, and the government as well as having served both in Egypt and in other countries in several board of directors of funds, companies, banks, NGOs, and universities. I have been part of AmCham for many years, and have previously served as executive vice president, board member, and chaired several of the chamber's core committees including Information and Communication Technology, Entrepreneurship and Innovation, International Cooperation and Education many years and now being AmCham president is just a continuation of the engagement that I already have. As for the direction for the next few years, I would be focused on building upon the efforts of my predecessors in the AmCham board of governors including to continue to promote Egypt as a destination for business for US companies and to support Egyptian enterprises in identifying business opportunities in the US market; the annual Doorknock mission, where a delegation of top-level executives representing companies and businesses that operate in Egypt visit Washington, DC to meet with the US business community and others to share different opportunities and prospects about Egypt's economic and business environment.

How many members does AmCham include?

We have over 900 AmCham corporate members and close to 2,000 individual members.

AmCham recently announced the establishment of an advisory council for AmCham Egypt Inc in the US; Can you please elaborate on its future plans?

AmCham Egypt is always looking to create business, trade, and investment opportunities for Egyptian companies in the US and for US companies in Egypt and to promote Egypt as a destination for business for US companies. Accordingly, the regular coordination with AmCham Egypt Inc, the chamber's permanent representative in the US, led by Hisham Fahmy as CEO, is focused to further bilateral economic ties; and the planning and organisation of sector-specific business missions for AmCham members to identify business, trade, and investment opportunities with their US counterparts.

Furthermore, AmCham Egypt Inc. is expanding its scope of work and operations in Washington, D.C., including stakeholder outreach efforts, taking part in speaking engagements across the US, hosting roundtable meetings and events, and issuing the AmCham Inc. quarterly newsletter. Earlier in April 2019, DNE reported that Hisham Fahmy announced the establishment of AmCham Egypt Inc. Advisory Board in the US Its mission is to work towards enhancing the organisation's mandate and scope of activities.
The advisory board includes a number of key US business leaders and executives with extensive and diversified experience and are highly reputed in the circles of decision-making. The advisory board aims to amplify the role played by AmCham Egypt Inc in supporting and maximising the benefit of the strategic relations between the two countries, in addition to increasing the volume of investment and trade exchange between them.

Greg Lebedev, senior adviser to the president and CEO at the US Chamber of Commerce, said that this advisory board helps facilitate the chamber's functions in America, especially with regard to pushing US investments into the market and enhancing cooperation in different fields, according to DNE previous reports. Lebedev also noted that Egypt has a fertile soil for investment which is advantageous for US investors through the injection of new investments in the country.

Will AmCham Egypt host ministers soon?

AmCham regularly organises events with cabinet members and government officials so that they can share with the AmCham members the different developments taking place in various sectors and in the economy at large. On July 2nd, we hosted Minister of Electricity, Mohamed Shaker, who gave an overview of the sector and the title of the talk was "Energy Transition in Egypt".

What are the updates of AmCham reports?

We release a variety of reports including the business monthly magazine, the industry insight series, Egypt watch bulletin, Egypt economic profile, Egypt economic indicators, and others including sectoral reports, in addition to the documentations that are released on the occasion of some events including the Door-Knock missions and others.

What do you think of Egypt's economic performance?

The government took several decisions as part of an overall reform programme to improve the economy. Currently, the economic numbers are improving offering opportunities for foreign investors from around the world to invest in Egypt.

The macroeconomic indicators are encouraging companies to look at the market as an opportunity in addition to its traditional advantages as a large market. If we look at the indicators, we find that we have gone through a difficult period of time and we have come a long way to a steady, improving economy.

Figures were very difficult at some point of time, but the important thing is the gradual improvement taking place now. For example, inflation recorded a high figure in July 2017 and now it declined, which is promising. Inflation is expected to rise again because of the movement of subsidy, yet the most important thing is that the economy is in the right direction. Moreover, GDP growth records more than 5% with an even more positive outlook for the FY 2019/20 which is another extremely healthy sign.

Unemployment rates are still high, but the overall direction is positive. The structural reforms included some tough decisions, but they were key to move forward and in parallel the government took multiple actions to try to mitigate their impact on the community and I think that the society will start realising the benefits of these reforms in due time.

Click here for more details

Source: dailynewsegypt.com- July 04, 2019

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Seoul to boost competitiveness of textile, fashion sectors

South Korea's trade, industry and energy ministry recently said it will boost the competitiveness of its textile and fashion industries by helping local firms adopt smart manufacturing solutions and supporting research projects on next-generation fabrics. The government will allocate $33.7 million over the 2018-2022 period to implement the plan.

The project will help local sewing, dyeing and shoe factories adopt smart solutions to produce on-demand products for clients, according to a news agency.

The move is in line with the global trend of making customised products for individual clients instead of mass producing pre-designed goods, the ministry said.

The plan also calls for 52.4 billion won to be earmarked up to 2023 for the development of next-generation fabrics that can be used in firefighters' suits and other specialised areas.

The government early this month announced a vision to turn the country into one of the world's top four manufacturing powers by 2030 by promoting the adoption of smart factories and applying information and communications technology to new growth engines such as textiles and clothing.

Source: fibre2fashion.com- July 04, 2019

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Fashion sales in Europe continue to fall in May with a decrease of 2.4%

Fashion retail in the Eurozone contracts its revenues for the second month in a row after falling 4.3% in April, according to the latest data from the European statistics agency Eurostat.

The fashion trade falls again in May. The turnover of retail sector in the 19 countries of the Eurozone fell by 2.4% in the fifth month of the year compared to a year ago, accumulating two months in negative.

These decreases contrasts with the upward trend with which the trade started the year and leave behind the increases of 2.7% and 1.7%, registered in February and March, respectively. According to the latest data from the European statistics agency Eurostat, the drop in sales in April and May is linked to an also falling end of 2018.

In general, last year was negative for retail sales of the sector in the European Union of 19 states. The only months in which increases were marked in the sector were April, August and October. The rest of the exercise was dyed in red, registering drops of over 2% between May and July.

In the European Union as a whole (28 countries), trade in textiles, clothing and footwear fell by 1.9%, also causing two months of setbacks.

Despite starting the year with a decline of 0.6% in January, the sector's retail turnover had surged in February and March, with increases of 3.6% and 3.4%, respectively. However, in April the heading changed, with a decrease of 1.7%.

The whole of retail in Europe has shown positive growth. In both the Euro area and the European Union as a whole, total sales of retail trade increased by 1.3% compared to the fifth month of the previous year.

By countries, Luxembourg and Ireland were the territories that contributed most to the growth of the turnover of the whole of retail in Europe in the fifth month of the year, with increases of 7.4% and 7%, respectively. On the contrary, Slovakia, Denmark and Croatia penalized their advance, with falls of 2.6%, 1.7% and 1.3%, respectively.

Source: themds.com- July 04, 2019

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Record gas price spike puts squeeze on Bangladesh garment makers

Factory owners fret about growth stalling if they lose competitive edge

Apparel makers such as Dhaka-based Ananta Group are powering Bangladesh's economic expansion, the fastest in Asia, but a record high gas price spike threatens to derail the industry's growth.

In an attempt to cut losses from imported liquefied natural gas, the government raised gas prices by almost one-third on average, effective July 1, the start of the 2020 financial year. The country subsidizes gas and sells it at below production cost.

With annual sales of more than $300 million, the 27-year-old Ananta employs 26,000 people and churns out bottoms, sweaters and men's suits for top Western high-street retailers such as H&M, Gap, Levi's, Marks & Spencer, Jack & Jones and Zara.

The gas price hike will make it difficult for the company to sustain its growth, Sharif Zahir, the company's U.S.-educated managing director, told the Nikkei Asian Review. "Prices of products have drastically fallen," he noted.

Leaders of the industry group echo his sentiments. With gas costs constituting around 1.5% of manufacturing expenditures in the apparel industry, a 38% hike in gas price means an almost 1% increase in production costs, noted Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association.

"This may not sound much in terms of percentage, but for an industry struggling for every penny this will be another blow," she said in an emailed response to the Nikkei Asian Review.

When challenges like erratic gas supply, pressure fluctuations and steep drops in product prices dissuade entrepreneurs from investing, this sudden price surge would cripple their financial plans, Huq said.

"Such an increase in price would only add up to our production cost making the business difficult for SMEs (small and medium enterprises) whose break-even is on thin ice," she said.

The assumed supply of around 850 million cubic feet (MMcf) of re-gasified LNG a day to the national grid by 2020 prompted the authorities to implement the hike, the largest since 2015. The last hike took force in 2017.

For industrial users like Ananta, prices have been raised by 38% and for captive power operators the rate is as high as 43.97%. Household consumers will see their prices rise by almost a quarter.

The decision has sparked an outcry from businesses, consumer rights groups and opposition parties, with leftists calling for a nationwide strike on July 7.

But the government defends the move, saying it was essential, given "gas production, LNG import, transmission and distribution costs and socio-economic conditions of the country," according to the Bangladesh Energy Regulatory Commission's statement.

"You have to understand the difference between the cost of energy and the cost of no energy," Monowar Islam, chairman of the Bangladesh Energy Regulatory Commission, told reporters in Dhaka while announcing the new tariffs on Sunday.

But Alamgir Shamsul Alamin, acting president of the Bangladesh Textile Mills Association lobby group, insisted the price hike is not justified because the gas supply situation has not improved that much.

Including re-gasified LNG supplied by two floating storage and re-gasification units in southeastern Chittagong, Bangladesh produces slightly over 3,000 MMcf of gas a day, below the daily demand of 4,000 MMcf, according to government figures.

If the primary textiles industry loses steam because of the gas price hike, ready-made garment exporters will also suffer, according to Alamin.

"We contribute significantly to the garment sector's exports of $30-32 billion," Alamin said.

"The 44% gas price increase for captive power plants will directly affect us," he said, noting that 99% of textile factories run such plants to offset unreliable grid electricity.

He warned if the industry loses competitiveness, jobs will disappear from roughly 5,000 textile and clothing factories, which provide employment for 5 million people.

He said the association is working to communicate its concerns to government leaders.

"We'll meet with the energy minister when he returns home [from his trip overseas]," he said.

Recent export trends have given garment makers a lot to cheer about, however.

Government data shows exports of apparel climbed by around 13% to $31.73 billion in the 11 months to May, lifted by orders shifting from China as its trade war with the U.S. continues.
This represents more than four-fifths of the country's merchandise shipments of $37.75 billion during the same period.

Factory owners complain that buyers' hard bargaining is dragging prices down, even as exports have clocked double-digit growth.

On top of the hefty gas bill, Zahir said production costs have spiraled by 30% because of a minimum wage increase. In January, Bangladesh raisedthe minimum wage for entry level garment workers by 51% to $95 per monthfollowing violent protests.

Zahir made a compelling case for lowering gas prices, which he said is needed to maintain the growth momentum.

"Countries like Bangladesh will lag behind if export-oriented manufacturing sectors stop growing," he said.

Source: asia.nikkei.com- July 04, 2019

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Vietnam's cloth import rises 7.6 pct in H1

Vietnam spent over 6.7 billion U.S. dollars importing cloth in the first half of this year, posting a year-on-year increase of 7.6 percent.

Its largest import market of cloth was China, tailed by South Korea and Japan, according to the Vietnamese Ministry of Industry and Trade on Thursday.

Between January and June, Vietnam imported 826,000 tons of cotton worth over 1.5 billion U.S. dollars, down 1.3 percent in volume and 2 percent in value.

The country also poured more than 1.2 billion U.S. dollars into importing 535,000 tons of yarn in the same period, up 6.6 percent and 8.6 percent, respectively.

In 2018, Vietnam spent 12.9 billion U.S. dollars on importing cloth, up 13.5 percent; over 3 billion U.S. dollars on cotton, up 28.5 percent; and 2.4 billion U.S. dollars on yarn, up 32.7 percent.

Vietnam reaped 30.4 billion U.S. dollars from exporting garments and textiles last year, up 16.6 percent against 2017, mainly to the United States, Japan and China, according to the country's General Statistics Office.

Source: china.org.cn- July 04, 2019

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PM: Explore full trade potentials with Bangladesh

Prime Minister Sheikh Hasina yesterday invited Chinese businesspeople to explore the full potential of business and trade relations with Bangladesh as the country is marching ahead in various areas of economic growth and development.

“As Bangladesh is marching ahead in various areas of economic growth and development, I invite you to explore the full potential of business and trade relations with Bangladesh,” she said.

The prime minister made the request while delivering her keynote speech at a roundtable with Chinese business leaders at the China Council for the Promotion of International Trade (CCPIT).

CCPIT Chairperson Gao Yan delivered the welcome address at the roundtable.

Hasina also hoped that Chinese businesspeople would significantly enhance their imports from Bangladesh in the coming years given the fact that Bangladesh’s export basket is expanding rapidly.

“There are so many areas to further expand your investment, especially in manufacturing sectors such as textile, leather and medium and heavy industries,” she said.

China has already emerged as the largest trading partner of Bangladesh. The total volume of trade between the two countries was $12.4 billion in the 2017-18 financial year.

“However, majority of this trade consisted of imports from China,” she said.

Hasina said Bangladesh is a very close neighbour of China and geo-strategically located between South and Southeast Asia. Population-wise, Bangladesh is the eighth largest country in the world.

Investment in Bangladesh not only ensures a direct market access to 162 million people but also gives indirect access to a market of more than 3 billion population of South Asia and China, she said.

In this connection, the prime minister said Bangladesh will continue to enjoy duty-free and quota-free access to major markets of the world till 2027 although it has graduated to a developing country.

She said Bangladesh is blessed with very hardworking, efficient and low-cost labour force. “Wages of semi-skilled and management grade workers are one of the lowest in the world,” she said.

The prime minister also said Bangladesh offers some of the world’s most competitive fiscal and non-fiscal incentive packages for foreign investors.

These include repatriation of dividend and capital at the exit, tax holidays, cash incentives on the export of selected items, permanent resident permits on investment of $75,000, and citizenship on $500,000.

The prime minister mentioned that Bangladesh is the second largest exporter of readymade garments and clothing after China and there is huge potential to further expand investment in apparel, especially in backward linkage industries.

She said Bangladesh highly values the huge interest demonstrated by the Chinese investors in the country and so it is setting up a special economic zone for the Chinese investors.

Chairman of China International Contractors Association Fang Qiuchen, Vice President of China State Construction Engineering Corporation Zhou Yong, Executive Vice President of Huawei Technologies Zeng Chenggang, Vice President of Haier Electrical Appliances Diao Yunfeng, Chairman of China Railways International Group Company GAN Baixian and President of Overseas Operations of China Railway Construction Group Cao Baogang spoke at the roundtable.

FBCCI President Sheikh Fazle Fahim, Senior Vice President Md Muntakim Ashraf, Vice President Siddiqur Rahman and Vice President of the International Chamber of Commerce Bangladesh Rokia Afzal Rahman also spoke.

Foreign Minister AK Abdul Momen and PM’s Private Investment and Industry Affairs Adviser Salman F Rahman were present on the occasion.

Source: thedailystar.net- July 05, 2019

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Bangladesh: Export posts 10.55% growth, RMG being 85% contributor

US-China trade war, and good performance of apparel exports in non-traditional markets acted as a catalyst for the rise in apparel export

Bangladesh's overall merchandise export earnings have registered a 10.55% growth to $40.53 billion in the just concluded fiscal year, riding mainly on apparel exports, according to the provisional data of Export Promotion Bureau (EPB).

In the last 21017-18 fiscal year, Bangladesh exported goods worth $36.66 billion, posting a 5.81% growth.

Exporters have given credit to safety and compliance upgradation in the apparel industry, in helping to boost buyer's confidence on sourcing more clothing from the country.

On the other hand, economists have opined the US-China trade war, and good performance of apparel exports in non-traditional markets acted as a catalyst for the rise in apparel export.

RMG sector contributes highest

Readymade garment (RMG) sector has contributed 84.21%, or $34.13 billion to the total export receipts. The sector posted 11.49% growth over last fiscal year, bagging $30.61 billion from apparel items.

Apparel sector exceeded the export target by 4.42%, as the estimated earnings from RMG were set at $32.68 billion for 2018-19 fiscal year.

Of the $34.13 billion, Knitwear products fetched $16.88 billion, which is 11.19% higher than last fiscal year.

Woven items earned $17.24 billion, registering an 11.79% growth.

What makes double digit growth

“Currently, the apparel industry is safer than what had been in the past. This is only because of the safety improvement and compliance, which boosted global buyers’ confidence to purchase clothing products from Bangladesh,” BGMEA former senior vice president Faruque Hassan has told the Dhaka Tribune.

“Besides, the sector went on a massive machinery upgradation scheme to ensure product quality, and ability to produce value added goods .”

On top of that, manufacturers mobilized for new market explorations, and product diversification, which altogether pushed the export earnings up, said Hassan also managing director of Gian Group.

However, economists have said the US-China tariff war opened an opportunity for Bangladesh as the global buyers shifted orders from China to Bangladesh to remain on the safe side.

“As a whole, the export earnings fared well, when the apparel sector performed very well. And the apparel sector did better due to the US-China trade war, which made Bangladesh’s position in the US market stronger than it was in the past,” Policy Research Institute (PRI) executive director Ahsan H Mansur told Dhaka Tribune.

US economy was better in the last year, which also helped the country to export more. Beyond this, export performance to non-traditional export destinations including China, Japan, and India were better, adds Mansur.

In the coming days, Bangladesh may get some more perks from the trade war, if it escalates further, he hopes.

Export performance of other major sectors

Among other major sectors, agricultural products have posted a sharp rise, making a 27.84% growth to $909 million during the period, which was $674 million in the same period last year. Among the agricultural products, vegetable earned $100 million, tobacco $63.33 million, and dry food $227 million.

In addition, export earnings from the pharmaceuticals sector rose by 25.60% to $130 million, and plastic goods by 21.65% to $120 million, according to the EPB data.

Specialized textile sector saw a 28.51% growth to $144 million, while non-leather footwear exports rose by 11.24% to $$271.53 million.

Export earnings from furniture, a newly emerging export item, posted 18.53% rise to $75 million, which was $63 million in the last fiscal year.

However, export earnings from leather and leather goods, the second largest foreign currency earner, witnessed a 6.06% negative growth down to $1.01 billion, which was $1.08 billion last fiscal year.

Jute and jute goods, the third largest export earning sector, also registered a 20.41% negative growth lowering to $816.27 million.

Exports of frozen, and live fish registered a marginally negative growth by 1.58%, and earned $500.40 million , which was $508.43 million in the previous year.

Besides, home textile sector has seen a negative growth by 3.07% to $851.72 million, which was $878.68 million a year earlier.

How to sustain the double digit growth

Industry people have termed the growth rate satisfactory but they are worried about making it sustainable in the new fiscal year.

“The present growth rate is satisfactory but there are challenges ahead for the sector in retaining the growth rate,” says Mohammad Hatem former vice president of BKMEA.

For value addition, and high-end products, the sector needs investment on research and innovation, adds Hatem, saying: “For this the government should continue policy support, and allocate funds from the budget for research.”

Meanwhile, economists have suggested for attracting foreign investment in tech-based manufacturing sector. They also called for grabbing orders, which are being relocated from china.

“Most of the export earnings from the apparel sector are from basic goods, which is a concern for us. To get better price, Bangladesh should invest in technology for value addition, and foreign investment can be a solution as they have experience,” former advisor to caretaker government AB Mirza Azizul Islam tells Dhaka Tribune.

On the other hand, Bangladeshi manufacturers have to establish links with the buyers who are shifting from China to other countries, adds the economist.

Source: dhakatribune.com- July 04, 2019

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NATIONAL NEWS

Indo-US trade talks set to resume

Piyush Goyal may meet USTR in Washington

Following the ice-breaking meeting between Prime Minister Narendra Modi and US President Donald Trump in Osaka recently, trade talks between the two countries are set to resume next week with a trade delegation from the US Trade Representative's (USTR) office likely to visit New Delhi.

"This is to be followed by Commerce & Industry Minister Piyush Goyal's visit to Washington to meet the US Trade Representative Robert Lighthizer, although the dates haven't been firmed up yet," a government official told BusinessLine.

The resumption of talks is taking place after Modi and Trump decided to work towards resolving pending trade issues in a meeting last week on the sidelines of the G-20 meeting in Osaka.

Talks between the Commerce Ministry and the USTR's office were suspended following Washington's decision to withdraw the Generalised System of Preferences (GSP) early last month ending the duty preference given to over 3,000 items exported from India.

The US took the decision to withdraw the benefit as it was unhappy with the market access offered by India in items such as medical equipment, mobile phones, dairy products and wanted it to take more steps to improve the trade imbalance.

Two weeks later, India finally imposed retaliatory duties on 28 American products it had announced in June last year. The tit-for-tat duties are in response to penal tariffs imposed on its steel and aluminium by Washington in March 2018.

Open and productive

Ministry of External Affairs spokesperson Raveesh Kumar also confirmed in a briefing on Thursday that India and the US would hold trade talks soon.

“The two sides will meet soon. I understand trade ministry officials will meet in the next couple of weeks,” Kumar said.

On Modi’s meeting with Trump in Osaka, Kumar said that the discussions were open and productive and a range of issues, including trade, 5G and bilateral defence relations, were taken up.

“It is important to understand that in any relationship that is multi-dimensional like India-US, there are bound to be perspectives where we share a different approach. How we handle it is the key. Going out of the way we agreed that on all the issues we will continue to talk,” Kumar said.

In the area of 5G technology, where the US wants all countries, including India, to exclude Chinese firm Huawei, India clarified that it was not a matter of difference, Kumar said.

“It is an issue where we can work together with the US. We have technology. We have the market.

We also have to see how we can work together as far as leveraging our individual competence. Perhaps we can work together under the banner of Make in India,” he added.

India’s largest export destination country continues to be the US which accounted for 16 per cent of India’s exports in 2018-19, followed by United Arab Emirates (UAE), China and Hong Kong, as per figures published in the latest Economic Survey.

Source: thehindubusinessline.com- July 04, 2019

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Economic Survey pegs growth at 7% for FY20

Here are the highlights of Economic Survey

A day before the General Budget, the Economic Survey for the fiscal year 2018-19 laid out blue print for $5 trillion economy. Finance Minister Nirmala Sitharaman tabled the survey in both the houses of Parliament on Thursday.

The survey has projected that the Indian economy will grow at 7 per cent during current fiscal, i.e., 2019-20. This is slightly higher than 6.8 per cent recorded in the last fiscal, and considered to be lowest during last five years.

“Looking beyond the economics of equilibrium, Survey makes case for investment-driven 'virtuous cycle' to sustain growth at 8 per cent. Investment the 'key driver' of simultaneous growth in demand, jobs, exports & productivity,” Chief Economic Advisor K Subramanian said in a tweet (sic).

In a series of tweets, the CEA said that policy makers needed a clear vision, strategic blueprint and tactical tools for constant recalibration in an unpredictable world. He said that the data must be created as a public good “of the people, by the people, for the people”.

Focusing on Indian MSMEs, he said that they "need to be freed from shackles that convert them into dwarfs". He said that the MSMEs must seen as a source of innovation, growth and job creation.

"One of the biggest hurdles to $5 trillion is poor enforcement of contracts and dispute resolution. Steps to speed up legal process should be top priority. The survey shows that required efficiency gains & appointments are large but achievable," K Subramanian said.

Click here for the highlights of Economic Survey

Source: thehindubusinessline.com- July 04, 2019

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Investment-driven growth model must have aggressive export strategy: Survey

The onus of rescuing economic growth has been placed squarely on exports, since the share of consumption in gross domestic product (GDP) remains constrained

Any investment-driven growth model must have an aggressive export strategy, the government said in its Economic Survey of 2018-2019.

The onus of rescuing economic growth has been placed squarely on exports, since the share of consumption in gross domestic product (GDP) remains constrained by a high level of savings, the Survey said. Goods exports rose 8.8 per cent in 2018-19, after a 10 per cent rise in the previous year.

TRADE IMBALANCE Fig (in %)

	2015-16	2016-17	2017-18	2018-19*
Merchandise export growth (in $ term)	-15.5	5.2	10.0	8.8
Merchandise import growth (in $ term)	-15.0	0.9	21.1	10.4
Current account balance (as % of GDP)	-1.1	-0.6	-1.9	-2.6
Average exchange rate (₹/$)**	65.5	67.1	64.5	69.9

Note: *(Apr-Dec) 2018, **price of dollar Source : Economic Survey 2018-19

However, it mentioned weak exports growth in 2019-20 as a key downside risk to the economy, taking note of continuing heightened US-China trade tensions.

The Survey sounded a stark warning that prospects of export growth remain weak for 2019-20 if status quo is maintained.

The World Economic Outlook in its April 2019 issue had projected growth in world output at 3.3 per cent in 2019, down from 3.6 per cent in 2018.

Rupee devaluation

The Survey pointed out that the desired export growth required to deliver the 8 per cent real GDP growth rate may require a depreciation in the real effective exchange rate.

"But we emphasise export growth stemming from increases in productivity rather than currency depreciation," the Survey countered. However, the government stressed that a higher growth rate for exports has been seen in Rupee terms due to the depreciation of the currency, while that of imports declined in 2018-19.

In view of the demand by industry to re-assess India's existing free trade agreements (FTA), the Survey noted that India's imports from FTA nations have been on the rise, accounting for 52.0 per cent of India’s total imports. On the other hand, exports continue to trail. Outbound trade with trade partners accounted for 36.9 per cent of total exports.

The high-level advisory group, formed to boost exports and headed by ex-member of the prime minister's economic advisory council Surjit Bhalla, had suggested making impact assessment studies for industry a pre-requisite for all trade negotiations. India has signed 28 bilateral and multilateral trade agreements with various countries and nation groupings.

East Asia model

The Survey also continued to focus on manufacturing-led growth in east-Asian economies such as Japan, South Korea and most importantly China. Chief Economic Advisor Krishnamurthy Subramanian borrowed from his predecessor Arvind Subramanian’s idea of pushing labour-intensive manufacturing investment to simultaneously boost productivity, job creation and exports.

In two such key sectors — textiles and leather — the government has indicated further structural reforms.

The latest survey again called for drastically raising India’s share in global exports through a targeted plan of pushing up market share in major markets.

In the latest 'virtuous cycle' of economic growth, the government has stressed the need for India's exports to GDP ratio to rise fast.

Source: business-standard.com- July 05, 2019

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Budget 2019: How government can enable e-commerce exports to boost Make in India

Budget 2019 India: The global exports via e-commerce is an annual market opportunity of $450 billion. This includes all goods that are directly sold to a consumer from a seller located outside their country and the order is placed via the internet.

Currently, around 75,000 sellers or exporters are able to retail their goods via e-commerce.

To put things in perspective, out of this $450 billion available e-commerce exports opportunity, India did a meagre $1.2 billion in 2018-19.

The reasons for India's low share in this fast-growing market are multiple but thankfully none that can't be addressed if taken up in mission mode with a great sense of urgency.

E-commerce exports have the potential to be grown by a magnitude of 10 in the coming five years translating into $12 billion worth e-commerce exports by 2024.

This 10X growth can be achieved by growing volumes in the existing and new categories that contribute maximum to e-commerce exports such as home décor and furnishings, medicinal and Ayush products, apparels and textiles, beauty and cosmetics, office and stationery products, leather, handloom and handicraft, gems & jewellery, and toys & sporting goods.

In order to achieve this 10x growth, focus on the following areas in this year's budget is important.

- RBI should permit inward remittance of around 50 per cent of invoice value at the time of export, thereby allowing exporters the flexibility to sell goods at a premium based on product demand or at a lower price in case of stock liquidation.
- RBI should also permit the realisation of exports proceeds up to a period of 24 months from the date of export.
- A mission mode project should be launched with deep engagement with EPCs and exporters participation in the identified categories mentioned above.
- The government should set up an E-commerce Exports Center of Excellence that enables exporters to quickly get onboard on e-commerce for selling their products.
- Roll out of an e-commerce exports service by India Post that provides Business to Consumer international speed post delivery times at one-third of the current prices. The product must entail a shipment pick up service, post offices in top 50 exporting districts having a dedicated e-commerce desk staffed with trained personnel and integration with APIs of the US Post, Royal Mail and other destination countries such that an exporter or a consumer and can track their shipment end to end.
- The government should provide subsidies or incentives to exporters for advertising their products by around 50 per cent that would help them grow their exports.

The Ministry of Commerce needs to assume a leadership role and work with the industry and the various government departments like RBI, India Post, CBIC and the various Export Promotion Councils.

The budget should announce e-commerce exports as a priority sector which will give it a major boost. This is one sector which can take Make in India to the next level as we will make more of what we have an expertise in.

It will help bring new foreign exchange and create a large number of jobs. If the workers in Moradabad stay in Moradabad and work in an export unit and not have to move to Delhi NCR, it is a great thing.

Source: financialexpress.com- July 05, 2019

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DGTR developing web app for submission of info about anti-dumping probes: Survey

The Commerce Ministry's trade investigation arm, DGTR, is developing a web application for online submission of petitions and information related to anti-dumping and countervailing probes, Economic Survey 2018-19 said Thursday.

The application would help the industry participate in these investigations which are important trade remedial measures.

The Directorate General of Trade Remedies (DGTR) is an arm of the Commerce Ministry which carries probe on alleged dumping of goods from other countries.

If it is established in the probe that dumping has caused material injury to domestic players, it recommends anti-dumping duties to guard the interest of industry.

"DGTR is in the process of developing a web application for online submission of petitions, information submissions, rejoinders etc. related to anti-dumping/ countervailing/ anti-circumvention investigations, for convenience of the industry...," the survey said. India conducts anti-dumping investigations on the basis of applications filed by the domestic industry with prima facie evidence of dumping of goods in the country.

The probe is a quasi-judicial process and is allowed under the World Trade Organisation (WTO) rules. India is a member of WTO which frames laws for global exports and imports.

During the period from April 2018 to March 2019, DGTR had initiated 24 anti-dumping (both fresh and review) investigations, and issued final findings in 50 such cases. In 2018-19, it started five countervailing duty probes, while one safeguard measure investigation was also finalised during the period.

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

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India, EU officials to meet next week to discuss trade issues

Senior officials of India and the European Union would meet here next week to discuss trade related issues, including the long-stalled proposed free trade agreement, sources said.

Chief negotiators of the free trade agreement are expected to deliberate upon ways to resume the talks.

Negotiations for the pact, officially dubbed as the Bilateral Trade and Investment Agreement (BTIA), have been held up since May 2013 and have witnessed many hurdles.

Further, senior officials from ASEAN are also likely to hold discussions with Indian authorities on the proposed mega free trade agreement RCEP.

The Regional Comprehensive Economic Partnership (RCEP) bloc comprises 10 ASEAN group members (Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos and Vietnam) and their six free trade agreement (FTA) partners -- India, China, Japan, South Korea, Australia and New Zealand.

The talks assume significance as member countries are targeting to conclude the negotiations by the end of this year.

RCEP negotiations, which started in Cambodian capital Phnom Penh in November 2012, aim to cover goods, services, investments, economic and technical cooperation, competition and intellectual property rights.

A US official delegation will also meet officials here for trade-related issues. This will be the first India-US meeting after America's decision to roll back export incentives under their GSP programme.

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

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Port capacity augmentation top on govt agenda: Survey

Terming port development crucial for economy, the Economic Survey 2018-19 Thursday said the government has accorded topmost priority for capacity augmentation of the sector through initiatives like Sagarmala.

Ports handle around 90 per cent of EXIM Cargo by volume and 70 per cent by value.

"Port sector development is very crucial for the development of any economy...In order to meet the ever increasing trade requirements, expansion of Port Capacity has been accorded the highest priority with implementation of well-conceived infrastructure development projects like sagarmala, project Unnati etc," the Economic Survey, tabled by Finance Minister Nirmala Sitharaman in Parliament, said.

As per the Port Performance Benchmarking & Performance Index published by Logistics Data Bank for February, 2019, Gateway Terminals India is in the top performing category and International Container Transhipment Terminal, Kochi in the low performing category, the survey said.

Towards facilitating Ease of Doing Business, the shipping ministry has identified various parameters for reducing dwell time and transaction costs at the major ports, which include elimination of manual forms, accommodation for laboratories to participating government agencies, direct port delivery, installation of container scanners, e-delivery orders, radio frequency identification-based gate-automation System, etc, it added.

These initiatives have already been implemented at Jawaharlal Nehru Port Trust and are being taken up at other major ports, the survey pointed out.

Stressing that "shipping plays a pivotal role in India's trade dynamics", it said, "As on January 31, 2019, India had a fleet strength of 1,405 ships with dead weight tonnage (DWT) of 19.22 million (12.74 million GT) including Indian controlled tonnage, with Shipping Corporation of India (SCI) having the largest share of around 30.52 per cent. Of this, around 458 ships of 17.58 million DWT (11.26 million GT) cater to India's overseas trade and the rest to coastal trade".

India had a fleet strength of 1,400 vessels with gross registered tonnage (GRT) of 12.68 million in 2018, as compared to fleet strength of 1,371 vessels with 12.35 million GRT at the end of December 2017.

About the Inland Water Transport, the survey said India's first inland waterway multimodal terminal (MMT) at Varanasi was inaugurated in November last year by Prime Minister Narendra Modi and the first container consignment on Ganga, which had sailed from Kolkata, was received at Varanasi MMT on the same day.

"The main focus of MMT is to promote inland waterways as it is cheap and environment friendly. To enhance the access and establish alternative connectivity to the North East through Indo-Bangladesh Protocol route, dredging works between Ashuganj and Zakiganj, and Sirajganj and Daikhawa in Bangladesh through 80:20 sharing (80 per cent by India and 20 per cent by Bangladesh) have been awarded," it said.

In October 2018, a Standard Operating Procedure of MoU on Passenger and Cruise service on the Coastal and Protocol routes between India and Bangladesh has been signed to enhance bilateral movement of passengers /tourists.

The cargo traffic on National Waterways was 55 million tonnes in 2017-18 and has increased by 31 per cent in 2018-19.

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

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Maharashtra farmers continue to sow banned HT cotton

Seeds easily available say farm leaders

Even as the Maharashtra police continue to file cases against farmers sowing HTBT cotton seeds, the Shetkari Sanghatana continues its drive in support of GM crops in Maharashtra. Per initial estimates, 25 per cent of the cotton fields in the State have been put under HTBT cultivation this season.

According to sources, HTBT cotton seeds are coming to Maharashtra's farmers from Gujarat and Andhra Pradesh through a well-established network.

Shetkari Sanghatana leaders said HTBT cotton seeds are easily available to farmers. In fact, the banned seeds had already reached farmers in January and they were waiting for the monsoon to arrive. With the first monsoon showers, farmers in Vidarbha and Marathwada regions are busy sowing.

The Sanghatana has approached the Centre appealing to it to renounce "Nehruvian socialist policies" in agriculture and open doors for GM crops to double farmers' income. Haryana farmers have extended their support to Maharashtra's farmers.

Freedom of technology sought

"The Centre must provide freedom of technology to farmers. Suicide of farmers is an indication of the pathetic condition in the agriculture sector. The government must not only permit but encourage cultivation of GM crops" said Shetkari Sanghatana President Anil Ghanwat. He added that the farmer are not going to succumb to any pressure and would continue to sow banned HTBT cotton seeds. The Sanghatana leaders have submitted memorandums to members of Parliament and State leaders seeking an end on the ban on GM crops.

The Ministry of Agriculture had recently told the Lok Sabha that the sale of HTBT cotton seeds had been reported from three cotton growing States — Maharashtra, Gujarat and Telangana. The Ministry added that as the HT cotton seeds are not approved for use in the country, the Agriculture Department does not have any scientific evidence of the likely impact of HT cotton seeds on crops and on the health of the farmers.

Interestingly, the action by Police has not stopped farmers from sowing HTBT seeds. Rajendra Thakare from Yawardi village in Wasim district openly conducted HTBT sowing operations on a 11-acre field and put the message on social media. Like Thakare many others are spreading the message to sow HTBT seeds via social media.

Ganesh Nanote, a farmer from Akola district, tweeted, " My #btcotton sowing date 2 June. Now is doing Handweeding by labour. Its cost is ₹1,000/acre per time. It is very time taking process. If late, weed damage crop. If I have #Htbt technology I will save my time money. There is a tremendous need of #Htbt technology in the future".

Source: financialexpress.com- July 03, 2019

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Will Tirupur get a helping hand from Budget?

Our textile industry stands next to agriculture, providing employment to 110 million people directly and indirectly.

Tamil Nadu's textile hub, Tirupur, has been slowly bleeding from the blow inflicted by China's tilt to Bangladesh, Vietnam and Ethiopia. The wound hurts more because of India's excessive dependence on China for the past three years and its dwindling presence in Europe.

The Tirupur Exporters' Association, India's leading knitwear/readymade garment export cluster, has been clamouring for an agreement that is compatible with the WTO in place of incentives like the Merchandise Exports from India Scheme (MEIS) given to exporters. Its recent appeal to the Centre to diversify global reach must be taken seriously to stitch the sector back together.

For readymade garments, the industry has been urging the Centre to work towards inking Free Trade Agreements with the EU, the UK and the Eurasian Economic Union, and trade deals with Canada and Australia. The sector feels the pinch as India is competing with Bangladesh, Vietnam, Cambodia, Ethiopia, Myanmar and Sri Lanka, apart from China, currently the world's largest garment exporter.

Many of them export duty-free to the EU because they are either in the least developed country bracket, are a signatory of Free Trade Agreements or come under the US Generalised System of Preferences (GSP) list. While Bangladesh enjoys duty-free status while exporting to Europe, India and Vietnam pay 13-15% in import duties. Yet, Vietnam has the advantage of better efficiency (90%) than India (50%). Labour is cheaper in Bangladesh and Vietnam. So, India has slipped to the fourth choice for any importer, after China, Bangladesh and Vietnam.

Our textile industry stands next to agriculture, providing employment to 110 million people directly and indirectly. The total textile exports amount to $38 billion, with a 4.3% share in the GDP. India's share in global garment exports is 5.2%. It is high time the Centre delves into the possibility of inking trade deals that would save the sector from being ripped apart, and exporters hope that Friday's Budget would provide them some relief.

Source: newindianexpress.com- July 05, 2019

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India's first Design Development Centre 'Fashionova' launched in Surat, Gujarat

India's first Design Development Center 'Fashionova' was launched in the Textile city Surat recently to promote the city in the field of the fashion design sector.

The main objective of this studio is to provide a strong platform to all those who have a flair of the apparel business. It fulfills, on a large scale, all business needs from co-working space, technicians, expert advises to cognitive workshops and exposure to the industry. Surat is renowned for its textile and the city had to be dependent on Mumbai or Delhi for unique and latest design trends. This design development center will bridge this gap.

"There are many fashion institutes in the country, but our objective is not just to teach fashion design. We are focused on promoting creativity and want to provide them market assistance also where they can sell their creative design and earn money", said Anupam Goyal, Founder, Fashionova Design Development.

Fashionava Design Development Centre has been started at Udhana area of the city with all state-of-the-art machinery and other facilities. It was inaugurated in the presence Paris-based-designer Neona Skane, Bollywood celebrity designer Salim Asgarally, CHASA IDT Director Chandrakala Sanap and Surat industrialists.

"This is the first of its kind of design development center in India and it will achieve new heights in the near future", he added.

It is to mention that Fashionova has been named in the Start-up scheme of the Government. The new center will fulfill the needs of new designs of the city and all types of brands will be able to connect with emerging designers of the country.

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

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FIEO to work with Kerala govt to double its exports

Federation of Indian Exports Organisations (FIEO) intends to work closely with the Kerala government to double the State's share of exports to over six per cent in the next five years.

Kerala's exports during 2018-19 was $8.1 billion, which is 2.4 per cent of India's exports.

"We need to see how we can double this figure. The agri sector is going to be the biggest contributor to exports", said Israr Ahmed, Regional Chairman-Southern Region, FIEO.

In an interaction with BusinessLine here on Thursday, he requested the State government to look into the possibilities of augmenting exports of agro products such as cashew, spices, rubber, marine products and tea, which are not under the sanctioned list, to China and Iran.

Direct exports

According to him, direct exports from Kerala to Iran is negligible even though cashew, spices, pharma equipments have good potential. Ahmed said several products exported to GCC from Kerala find their way to Iran. If proper attention is given, this can be channelised and exporters can derive better benefits.

Asked on the challenges for exports to Iran amidst US sanctions, he said Iran is an opportunity for India, as the bilateral trade was $13.8 billion in 2017-18. However, the actual trade will be in the range of $20-25 billion, which is conducted indirectly due to sanctions. “We believe this can go up to $30 billion, if there is a barter mechanism for direct trade”, he said.

However, there are issues pertaining to payments, shipments, exchange of documents and insurance that will have to be addressed, he added.

Lack of proper marketing is hindering export growth and he emphasised the need for bringing more international fairs to Kerala to leverage the opportunities. “ For Kerala to increase its share, there is a need for giving more focus on MSME exports, helping them in marketing and showcasing their products abroad”, he added.

The current support extended through various schemes are grossly inadequate and FIEO urged the Commerce Ministry to come up with an export development fund with a corpus of 0.5 per cent of export value for each State, so that MSME's can aggressively participate in international expos and trade shows.

Kerala is also one of the major foreign exchange earner through tourism. There is a huge potential for the State to double the revenue from the sector. The export sector can also generate huge employment opportunities similar to neighbouring States such as Tamil Nadu and Karnataka, he said.

Considering the creation of employment as the biggest challenge being faced by the country, he said FIEO requested the government to provide income tax relief to units which provide additional employment in export sector. Such a scheme will help workers to move from informal employment to formal employment.

Incentives may be provided based on twin criteria of incremental growth in exports and incremental growth in workers so that while on the one hand exports are increased, on the other, the employment intensive units also get a boost.

Source: thehindubusinessline.com- July 04, 2019

HOME

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700 brands from 32 countries exhibiting at HGH India

As many as 700 brands and manufacturers from 32 countries are exhibiting at the ongoing HGH India in the Bombay Exhibition Centre, Goregaon.

The 8th edition of India's largest trade show for home textiles and home décor is setting new benchmarks in the industry, bringing new brands, manufacturers, innovation, design and products under one roof.

The three day exposition was inaugurated by Shantamanu, development commissioner, handicrafts along with Arun Roongta, managing director of HGH India and other dignitaries from the industry. HGH India is a trade show which is helping the home industry integrates products across segments.

"In the last eight years of operation, HGH India has displayed clear, increasing progress. Their focus, much like ours has always been on the artisans, craftsmen, carpet weavers and handicraft workers.

Trade shows like this help in providing exposure to them and watching the biggest names of the industry together on one unified platform, helps them understand the kind of opportunities available. While HGH stands for Home Décor, Gifts and Houseware, for me it stands for Higher, Go Higher," Shantamanu said.

Among the many highlights of the exhibition, is the presence of international brands from Turkey, Europe, US, UAE, the UK and over 75 exhibitors from China brought through the Zhejiang Broad International Convention & Exhibition Co. Ltd. among others. There is also a strong presence of well-known Indian brands showcasing a wide range of innovative products in the home textiles, home décor, houseware, and gift space.

"We at HGH India are overwhelmed with the response in spite of the delayed start.

I would like to thank all the exhibitors and retailers for their unanimous support in helping us keep the show alive for the benefit of the entire industry.

HGH India's 8th edition is a testimony to the entire home product industry's trust in the trade show and we are confident that it will be another successful year for all our patrons, accelerating the growth of the home textile, home décor, houseware and gift industries," said Roongta.

Source: fibre2fashion.com- July 04, 2019

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