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IBTEX No. 174 of 2019 September 06, 2019

US 71.73| EUR 79.21 | GBP 88.51| JPY 0.67

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
20000	41800	**74.23**

Domestic Futures Price (Ex. Warehouse Rajkot), October

Rs./Bale	Rs./Candy	USD Cent/lb
19480	40713	**72.30**

International Futures Price

NY ICE USD Cents/lb (December 2019)	59.12
ZCE Cotton: Yuan/MT (January 2020)	12,650
ZCE Cotton: USD Cents/lb	80.27
Cotlook A Index – Physical	**69.65**

Cotton Guide: Due to a US holiday on Monday, the export sales data will be released today – 6th September 2019 at 6 pm IST.

The ICE December prices touched a fortnight high and later settled at 59.12 cents per pound with a change of +91 points. The ICE March 2020 contract settled at 59.82 cents per pound with a change of +99 points. The other ICE contracts across the board were all positive in the range of +39 and +99 points. The major reason was for this surge was attributed to Hurricane Dorian and an optimistic wave blowing in due to the October Scheduled US CHINA Trade Talks.

The total volumes were again shoddy at 23,480 contracts higher than the previous figure of 18,873 contracts. Total Open interest increased by 1,764 contracts to 224,871. The December OI and March OI increased by 1,054 and 878 contracts, respectively to 141,934 and 48,817 contracts. Certified stocks amounted to 12,802 bales which has remained unchanged from the previous 3 days.

The MCX contracts settled slightly higher. The MCX October contract settled at 19,480 Rs per bale with a change of +60 Rs. The MCX November contract settled 19,230 Rs per Bale with a change of +30 Rs. However, this upsurge was not strong enough to keep the prices up for a long time as the total volumes were at a mere 673 lots.

The Cotlook Index A was changed to 69.65 cents per pound with an increase of +45 points. The prices of Shankar 6 remained unchanged at 41,800 Rs per Candy (as per CAI's Website). Domestic spot prices of Shankar 6 are quoted as low as 41,000 Rs per Candy(as per our sources).

On the fundamental front we are of the view that the ICE prices would remain consolidated with a negative bias. Only the US Hurricane Dorian could take the prices higher. For the MCX contracts we maintain our negative outlook.

On the technical front, ICE Cotton Dec future hit the higher band of the downward sloping channel near 59.50 during early hours of trade. Meanwhile, price is hovering near the crucial resistance zone of 60.00-60.50, form where it has reverse on multiple occasions. On the downside price is trading above the 5 and 9 DEMA, which would provide immediate support for cotton futures.

In a broader picture price is still trading in the downward sloping channel with higher band of the channel resistance near 60. Moreover, RSI is hovering below 50 levels which may limit further bullish momentum in price. So only a close above the resistance zone would bring confirmation in bearish trend reversal in price, else it would remain in the consolidation phase of 60.00-57.50 range..

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's Import Share Erosion Continued in July Ahead of Apparel Tariffs

The tide is definitely shifting for apparel sourcing for U.S. companies, which have been forced to make changes mainly due to the U.S.-China trade war.

In the run up to this month's imposition of 15 percent tariffs on apparel imports from China, companies imported $14.47 billion worth of goods from the still-top supplier in the year through July, a 2.33 percent increase compared to a year earlier, according to new data released Wednesday by the Commerce Department's Office of Textiles & Apparel (OTEXA).

Those are tepid gains compared to years past, as the U.S.-China trade war has caused importers to diversify their sourcing to avoid risk and now higher prices.

Manny Chirico, chairman and CEO of PVH Corp., said last week, "Moving into 2020, we have significantly moved a lot of our production where we could out of the China market. Next year, we will be somewhere between 10 percent to 12 percent of our U.S.-required production coming out of China," down from 30 percent just three years ago.

China held a 32.26 percent market share in of U.S. apparel imports in value terms for the 12 months through July, an erosion of 3.6 percent in three and a half years, according to OTEXA.

For the year through July 2018, China's apparel market of U.S. apparel imports was 33.1 percent, compared to 33.7 percent for the year ended Dec. 31, 2017. Looking even further back, China's market share at the end of 2016 was 34.59 percent, and 35.86 percent a year before that.

The slow decline and flight from China has meant gains for many of its Asian neighbors. For the year to date through July, shipments from No. 2 supplier Vietnam rose 13.05 percent to a value of $7.8 billion, while imports from third-place Bangladesh increased 11.53 percent to $3.57 billion.

"The tariffs have accelerated that movement," Chirico said. "We recognized what was ahead of us over the next three to four years...and we opened up Africa. We moved to some other locations throughout Asia and we tried to position ourselves with key fabric suppliers throughout the world that would enhance our supply chain."

Among other Top 10 suppliers in Asia, shipments from India were up 9.56 percent to $2.63 billion, imports from Cambodia gained 6.36 percent to $1.45 billion and Pakistan's shipments rose 9.38 percent to $849 million.

Western Hemisphere countries have also benefitted from the spreading out of sourcing and the desire for a percentage of production based closer to market.

Overall shipments from the region rose 5.46 percent in the period to $8.38 billion and a 17 percent market share. Among the Top 10, imports from Honduras were up 13.29 percent to a value of $1.58 billion and shipments from El Salvador rose 9.38 percent to $1.09 billion.

Significant gains were also seen from Sub-Saharan Africa, as imports from the region rose 22.23 percent to $803.66 million, led by Kenya, Madagascar, Ethiopia and Mauritius.

Source: sourcingjournal.com- Sept 05, 2019

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U.S. trade gap fell 2.7% in July

The U.S. trade deficit declined in July, including the gap with China that has been the focus of President Donald Trump's tariffs.

The Commerce Department said Wednesday that the gap between the goods and services the U.S. buys and what it sells abroad fell 2.7% to $54 billion in July from June. Exports rose 0.6% to $207.4 billion, while imports ticked down 0.1% to $261.4 billion. Compared to a year ago, the average trade gap has increased $7 billion.

Trade has become a sensitive topic for the global economy as the United States has escalated a tariff war with China. Trump has been taxing Chinese imports in hopes of reducing the trade gap and receiving better terms for trade, yet his moves have generated uncertainties that have hurt growth and pushed manufacturing into a slowdown.

By Dec. 15, the United States is scheduled to tax almost every Chinese import. Trump imposed a 15% tax this month on $112 billion of Chinese imports, in addition to already imposing a 25% tariff on $250 billion worth of Chinese goods. The taxes are hitting U.S. consumers and businesses as 87% of textiles and clothing the United States buys from China and 52% of shoes now face a surcharge.

In December, the Trump administration plans for another round of 15% tariffs — this time on roughly $160 billion of imports.

The impact of the tariffs so far in overall trade numbers appear to be a decline in activity. The trade gap with China fell $500 million in July to $29.6 billion, as imports to the United States fell more sharply than the decline in exports.
Source: finance-commerce.com- Sept 05, 2019

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Turkey announces $45-mn financing package for exporters

Turkish trade minister Ruhsar on September 4 announced a financing package worth $45 million for Turkish exporters. Turkish Exporters' Assembly and Turk Eximbank signed an agreement for the same, she tweeted. Meanwhile, Pekcan told a business forum that Turkey may lose trade with the United Kingdom worth up to $3 billion in the event of a no-deal Brexit.

Many Turkish firms lacked information on the consequences of a no-deal scenario and the losses would result from the United Kingdom raising import tariffs after Brexit in sectors, including steel, automotives and textiles, she told a Turkey-UK Business Forum in Istanbul.

Even though both the countries want to sign a free trade deal, they cannot do so because of their international commitments with the European Union (EU), global newswires quoted the minister as saying.

Companies across Turkey will be informed on the potential impact of a no-deal Brexit, she added.

Source: fibre2fashion.com- Sept 05, 2019

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US fashion brands seek to scale up sourcing in India

Amid an ongoing trade war between China and the US, some of America's top fashion brands met government officials in New Delhi on Tuesday to discuss more sourcing opportunities from India, while also pushing for a free trade agreement (FTA) between India and the US.

A delegation of 18 members of the American Chamber of Commerce in Hong Kong comprising sourcing heads of large apparel and footwear brands such as Carter's Inc., Ralph Lauren Asia Pacific Ltd, Gap Inc., PVH Corp. (that owns brands such as Calvin Klein, Tommy Hilfiger and Arrow), and other large apparel sourcing companies—is on a three-day visit to India to discuss their expectations and the long-term benefits of sourcing from India.

The delegation met textiles minister Smriti Irani, textiles secretary Ravi Capoor, and NITI Aayog chief executive Amitabh Kant.

Although most of these brands have been sourcing from India for decades, their visit comes at a time when India is losing out on apparel exports to other Asian countries such as Bangladesh and Vietnam that score better in cost efficiencies. However, with an escalation in trade tensions between China and the US, India stands to gain.

"India is at a point of inflection today in the way supply chains are moving and manufacturing is moving away from China. India has an opportunity to get out and really compete on that front," Tara Joseph, president, American Chamber of Commerce in Hong Kong, told reporters late Tuesday.

The executives discussed issues on sustainable sourcing, skilling of employees, sourcing of goods at scale, ease of doing business in India, and working on an FTA with the US for smoother flow of goods from India to other markets.

Joseph said brands and retailers could further spruce up investments in factories and work with their Indian partners. “The American brands that are thinking of coming in, are not looking for a few million dollars worth of investment or for a few years. “The large brands want to make substantial investments beyond a hundred million dollars and that’s for a long period of time," she said.

Fruitful interaction with textile, apparel & footwear delegation from the American Chamber of Commerce, Hong Kong. Wonderful to see their immense interest in sourcing from & investing in India," Kant said in a tweet.

To be sure, India has been a key sourcing base for some of the world’s largest brands such as IKEA, Inditex, Hennes & Mauritz AB and Gap Inc.

The US and the European Union together comprise about 60% of India’s total apparel exports in terms of value, according to an April report by CARE Ratings. However, in the past decade, other low-cost markets in Asia such as Vietnam and Bangladesh have gained a bigger share of apparel and footwear sourcing. China, on the other hand, has been losing market share, the report said.

Source: livemint.com- Sept 04, 2019

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Vietnam garment export is expected to reach $40 Billion

Vietnam garment and textile exports, which reached $19 billion in the first half of the year, are expected to top $40 billion this year. The country mainly makes products for medium and high-end market segments. The CPTPP has had a positive impact on the country’s garment and textile exports.

Previously countries such as New Zealand, Australia and Canada rarely imported Vietnamese garment and textile products. But this year, with the CPTPP coming into effect, these markets have begun to import its garments and textiles in rather large quantities.

The country also benefited from reduction of yarn exports to China as it shifted to other lucrative markets such as Japan, South Korea, the Middle East, and Taiwan which enabled it achieve its yarn export target.

Source: textilefocus.com- Sept 04, 2019

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Global cotton production to surpass consumption

September 2019 edition of Cotton This Month has said, cotton production in 2019/20 will surpass consumption with global stocks projecting to grow to 18.3 million tonne. This combination will exert downward prices on prices in the coming year.

About 43 per cent of the expected global production of 26.9 million tonne will come from China and India alone, and the competition between the two to be the year's top producer should be close. Despite ongoing trade barriers, area in the USA is expected to increase 24% and production is expected to climb by 23%.

US exports, weakened by the trade impasse with China, fell by 8 per cent to 3.16 million tonne in 2018/19, although the current forecast calls for the global cotton trade to expand 2 per cent to 9.5 million tonne in the coming year.

Source: fashionatingworld.com- Sept 05, 2019

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FDI firms dominate Vietnam exports

Foreign firms in Vietnam, rather than Vietnamese firms, dominate Vietnam's exports to the world and particularly the US. In the garment sector, for example, Vietnamese companies only account for 16 per cent of the country's export value with FDI firms making up the remaining 84 per cent.

South Korean garment manufacturers in Vietnam have been the biggest contributors. South Korean companies account for almost half of Vietnam's garment export value. South Korean corporations have been in Vietnam since early 2000s and have well established supply chains in the country.

In comparison most Vietnamese companies are still small-sized and do not meet foreign buyers' requirements on quality, quantity and cost. South Korean and Taiwanese companies account for 98 per cent of Vietnam's total exports of phones and parts. Vietnamese firms only contribute indirectly to the export growth by supplying some parts for these foreign companies.

Many American customers buy from their partners in China or from FDI companies manufacturing in Vietnam. US buyers still prefer products from China because prices are more competitive than that of Vietnamese products. The bulk of Vietnam's imports comes from China, which accounts for 18.2 per cent of all imports into Vietnam. China is followed by South Korea, Asean, Japan and the EU.

Source: fashionatingworld.com- Sept 05, 2019

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Bangladesh fears impact of global recession

A global recession can hit Bangladesh's export income and remittances, two life lines of the country's economy. Recession can hurt Bangladesh's export diversification as nearly 16 per cent of the country's exports consist of non-readymade garment products.

If there is a recession many companies in the Middle East would be out of business in which a good number of Bangladesh workers are employed. These workers can lose their jobs, having an adverse impact on the country's remittances.

The recent slowdown in the US economy, dismal German economic performances, lowest ever industrial production growth in China in recent times, and a contraction in the economies of Argentina, South Africa and Iran are warning signs of a possible global economic meltdown.

Though Bangladesh is getting some benefits from the US-China trade war, economic diversification can help Bangladesh avoid the impact of a possible economic recession. However such diversification needs investments. Value addition is one way out and being sustainable is another.

The country has to take initiatives to capture more low-end apparel manufacturing relocation from China. Bangladesh exports low-end garment products. Apparel exports contribute 84 per cent to the country's total export earnings. Bangladesh has already witnessed double-digit growth during the July-May period of the current fiscal year.

Source: fashionatingworld.com- Sept 05, 2019

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Vietnam, Russia Seek to Boost Annual Bilateral Trade Turnover to US$10 Billion by 2020

Vietnamese Foreign Minister, Anh Dung, has stated that he wishes to see Vietnam-Russia bilateral trade hit the US$10 billion mark next year, among growing positive results after Vietnam agreed a free trade agreement (FTA) with the Russian-led Eurasian Economic Union (EEU) in 2016.

The Eurasian Economic Union is a free trade area that includes Russia in addition to Armenia, Belarus, Kazakhstan and Kyrgyzstan. It effectively sits between the EU and China, and yet has been developing more Asian interest following EU sanctions imposed on Russia.

The impact on Vietnam has been a marked increase in investment from Eurasian Economic Union (EAEU) members and especially from Russia, where the agreement has helped spur investments in Vietnam's auto and other industries.

Anh was speaking at the Far Eastern Economic Forum in Vladivostok, at which Dezan Shira & Associates personnel Chris Devonshire-Ellis and Maria Kotova were both representing the firm, which itself has operations guiding foreign, including Russian investors into Vietnam. The firm also maintains offices in Hanoi, Ho Chi Minh City, and Da Nang.

Anh stated, "In the field of trade, Vietnam needs to increase traditional products, such as agricultural, seafood, rubber, textiles, wood and wood products and expand the export of computers, electronics, and phones of all kinds. In turn, we are ready to import Russian raw materials, such as iron, steel, coal, fertilizers and so on." He added that Vietnam also intends to

"Attract Russian investment in areas where Russia has advantages, such as energy, mining, engineering, and processing."

Vietnamese Deputy Prime Minister, Trinh Dinh Dung, was also speaking at the event, and noted that EAEU-Vietnamese bilateral trade doubled in 2018, and that vehicle assembly operations involving autos and especially tractors from Belarus had performed well under the FTA.

He expressed interest in increasing the scope of the FTA by expanding it to include textiles and agricultural products and expressed satisfaction at a trade relationship that until the FTA was signed, had been in very low, million-dollar trade figures. He said that Vietnam was committed to develop more room for Russian trade expansion into Vietnam and suggested that "Vietnam is Russia's bridge to ASEAN."

Russian investors have been cautious about investing in Asia, which is still a relatively new territory for the country. However, the Vietnam experience is proving to be a model testing ground for Russian and EAEU investors into the country, where Trinh suggested "There is plenty of room for growth."

The Vietnam-EAEU FTA also provides Russian companies with access to ASEAN markets, which comprise the major Asian economies of Indonesia, Malaysia, Philippines, Singapore, and Thailand along with smaller markets, such as Cambodia, Laos, and Myanmar. Vietnam as a member of ASEAN allows for reduced tariffs with these nations, while ASEAN itself also has an FTA with China and India.

Establishing a Vietnamese subsidiary gives Russian owned businesses access to each of these markets – subject to local sourcing content controls. The country also has free trade and economic processing zones, which can allow additional production on imported Russian and ASEAN sourced components to be carried out free of duties and value-added tax (VAT), thus making Vietnam an attractive option for Russian businesses looking to sell products in Asia.

Source: vietnam-briefing.com- Sept 05, 2019

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Foreign garment-textile investors diversifying in Vietnam

Unlike the past when foreign investors in Vietnam's garment and textile sectors came for processing only, they are now diversifying through direct and indirect investment via acquisitions and purchases of shares in domestic firms, with a focus on yarn, garment and accessories. This change is apparently the result of the recent free trade agreements (FTAs) signed.

Once these projects get operational, they will help to partly solve the shortage in supply of garment and textile accessories and meet rules of the new FTAs, according to Vietnamese newspaper report. The Binh Duong province recently granted permission to South Korea's Kyung Bang Vietnam to expand its investment by an additional $40 million with the aim to raise its annual cotton yarn production capacity to 9,000 tonnes and blended yarn production capacity to 11,000 tonnes.

The project aims to produce woven fabric, knitted fabric and crocheted fabric and complete woven products. With this additional capital, the project now has a total investment of up to more than $219 million.

Taiwan's Far Eastern Group has also spent hundreds of millions of dollars for a project of fabric and chemical yarn in Bau Bang Industrial Park in Binh Duong and continues to hire more land there to expand investment.

Singapore's Herberton Limited Company started construction of the Nam Dinh Ramatex Textile and Garment Factory with a total investment of around $80 million. Once operational, the factory will have an annual capacity of 25,000 tonnes of fabric and 15 million apparel items and offer jobs to around 3,000.

Foreign investment in the country's garment and textile sector was poor earlier, but in the past three years, large enterprises from the United States and Europe have flocked to Vietnam, according to Vu Duc Giang, chairman of the Vietnam Textile and Apparel Association. A German group recently invested in a sheep wool yarn spinning plant project in Da lat. Groups from Israel and the United States invested in textile plants in Binh Dinh province and dyeing in Nam Dinh province.

Source: fibre2fashion.com- Sept 06, 2019

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Pakistan: Razak apprised of Faisalabad-based textile industry's problems

A delegation of textile exporters called on Abdul Razak Dawood, Advisor to PM on Commerce, Textile, Industries & Production and Investment, to discuss issues pertaining to Faisalabad-based textile industry. The advisor is facing criticism for not bringing new textile policy and formulating task forces in his ministries.

Talking to the delegation, which was led by PTI MNA Faizullah Kamoka from Faisalabad, the advisor on Thursday stressed upon the need to increase existing installed capacity of the manufacturing sector to increase the industrial base of the economy. For this, he added, the government is taking all-out steps to attract foreign and domestic investment for new plants and operationalisation of sick units of textile sector on competitive basis.

As Pakistan has increased exports in quantity; therefore, it is need of the hour to utilize existing production capacity to the optimal level and operationalise the closed units on competitive basis, he emphasised.

During the meeting, it was mentioned that as a result of business friendly policies of the incumbent government, the exports of readymade garment have increased 32.77 percent in 2018-19 while exports of knitwear witnessed an increase of 15.52 percent in the same period.

The meeting was informed that due to positive steps taken by the government regarding business facilitation these sick units have a chance to regain their past glory. Moreover, US-China trade war has positively impacted textile exports from Pakistan.

The Global Value Chains (GVCs), especially in textile sector, are realigning in the US market due to high tariff against Chinese imports. This realignment is providing immense opportunity to Pakistan's textile industry to integrate it into GVCs which will exponentially contribute in enhancing exports of the country.

The advisor to PM underlined, "It is imperative to enhance industrial base for the revitalization of economy and industrial growth." He further emphasized that expansion of industrial base is the need of the hour for industrial growth, competitive import substitution, export enhancement, employment generation and revenue generation.

The government is working out on a policy paradigm for upward growth of manufacturing sector in general and LSM in particular. For this, the government is developing an Industrial Policy while focusing on areas which will assist the industrial sector in improving its growth by effective allocation of resources, the advisor added.

Source: fp.brecorder.com - Sept 06, 2019

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Readymade Sustainability Council to Take Over From Bangladesh Accord

The Accord on Fire and Building Safety in Bangladesh and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) have agreed to establish a new workplace compliance-and-safety-monitoring body that will take over the infrastructure, operations and staff of the Accord as it transitions out of Bangladesh over the next several months.

The Ready-made Garment Sustainability Council (RSC), which the Accord called an "unprecedented national initiative," will bring together industry, brands and trade unions to promote unified industrial relations, skill development and environmental standards, while carrying forward the "significant accomplishments" made on workplace safety in the South Asian nation since the Accord's formation in the wake of the 2013 Rana Plaza disaster, which killed 1,137 workers and injured thousands more just outside the capital of Dhaka.

Originally due to expire after five years, the pact received an extension after the Appellate Division of the Bangladesh Supreme Court approved in May a Memorandum of Understanding (MoU) between the Bangladesh Accord Steering Committee and the BGMEA to delay the Accord's exit by 281 days.

As part of the handover, the parties will be jointly drafting a Memorandum & Articles of RSC and a Transition Agreement.

"The BGMEA and the Accord look forward to continuing the constructive discussions that took place over the last two days and commit to work together to ensure that RMG factories in Bangladesh are made safe and stay safe," the organizations said in a joint statement.

The council will launch publicly on Nov. 15 and commence operations by Jan. 15.

Ready-made garments make up roughly 80 percent of Bangladesh's export earnings, contributing almost 16 percent of the country's gross domestic product. Despite a reputation that has been marred by fires, building issues and demonstrations over poverty wages over the past few years, Bangladesh remains the world's second-largest garment exporter after China and produces clothing for some of the biggest retailers in the world, including H&M, Uniqlo and Zara.

Source: sourcingjournal.com - Sept 05, 2019

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NATIONAL NEWS

How to increase India's textile exports?

Despite its size, India's textile industry has struggled on the global market. India's share in global textile exports has declined while countries like Bangladesh and Vietnam are expanding their market share. A new study suggests India's textile exports are constrained by high costs, unhelpful customs policies and competition from abroad.

In an article published on Ideas for India, a policy research portal, Saon Ray of the Indian Council for Research on International Economic Relations (ICRIER) explores the reasons for Indian garment exporters' struggles by drawing on data from surveys conducted in 2010. The survey covered 127 firms and 25 respondents in five apparel production centers in Bangalore, Delhi, Kolkata, Ludhiana, and Tirupur.

She finds that, partly because of India's large domestic garment market, garment production in India is organized according to the production logistics of a handful of large firms. This results in low integration of Indian garment exporters into the global value chain

According to the survey, the biggest constraints for Indian firms are production costs, time involved in exports and competition from other countries. Specifically, factors such as high electricity and raw material costs make it difficult for manufacturers to meet strict quality requirements for exports and deliver exports on schedule.

In terms of competition, India's garment export competition comes from countries like China, Vietnam and Cambodia which produce similar garments, rather than neighbouring countries such as Bangladesh and Sri Lanka which produce different types of garments.

To make Indian textiles more competitive, the government should improve infrastructure networks to streamline the textile input-procurement process and ease credit constraints for textile exporters, the authors suggest.

Source: livemint.com - Sept 04, 2019

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Commerce Minister to meet exporters on September 11 to discuss measures to push shipments

Falling exports a cause of greater concern as GDP growth slows down

To push languishing exports on a higher growth track, Commerce Minister Piyush Goyal has called a meeting of stakeholders, including export bodies, to give suggestions on trade policy instruments that could stimulate development.

“There is an urgency in the Commerce Ministry on the need to take decisions that would boost export growth. The meeting called by the Minister on September 11 will focus on measures that could be taken to aid exports and spur development,” a government official told BusinessLine.

The urgency stems from the fact that the Indian economy has slowed down to a six-year low. Exports, too, have declined in the first four months of the fiscal with July figures showing a meagre growth of 2.25 per cent. “The government recognises the fact that a good performance in exports is important for the GDP to show robust growth. A lot more needs to be done to encourage exports,” the official said.

Seeking inputs

The Commerce Minister wants to get inputs from the exporting community on the measures and trade instruments that could lead to a possible increase in outbound shipments from their particular sectors.

For instance, yarn and fabric exporters, who have witnessed a sharp fall in exports over the last few months, have been demanding extension of the new Rebate of State and Central Taxes and Levies (RoSCTL) beyond garments and made-ups for the entire textile chain.

Exporters say that with competition from producers in Bangladesh and Vietnam increasing, they will not be able to sustain their presence in the global market if the government doesn’t refund all input taxes.

Exporters of engineering goods, too, have sought government support. The sector, which has traditionally been on the top of the country’s export charts, has witnessed a fall in exports in the first quarter of the fiscal mostly due to shrinking global demand.

Engineering exporters' body EEPC has asked the Centre to take immediate measures like faster refund of State and Central taxes and also make steel available at international prices.

"Once the Minister meets stakeholders face-to-face many more suggestions would come up and can be discussed," the official said.

With India's per capita Gross National Income crossing the threshold limit of $1000, the country may not be able to continue its export subsidy schemes such as the popular Merchandise Export from India Scheme (MEIS) for long.

Viable schemes needed

The Centre, therefore, also needs to finalise viable incentive schemes for exporters that are not linked to exports.

India's exports in April-July 2019-20 contracted 0.37 per cent to $107.41 billion.

Source: thehindubusinessline.com – Sept 04, 2019

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Solapur poised to become major global player in terry towel manufacturing

Solapur, one of the oldest towns in southeastern Maharashtra, is poised to become a major global player in the manufacture of terry towels.

Home to the handloom and powerloom weaving industries in the state, Solapur is unique in having the largest and oldest concentration of power looms, amounting to 16,000, in the country.

The city's traditional products — terry towels, an allied product of Jaquard chaddar — registered under the

Geographical Indication (GI) status, has brought international fame to Solapur.

Rajesh Goski, chairman, Textile Development Foundation and CEO, Vibrant Terry Towel Global Expo and Summit 2019 (VTT), says that the objective is to increase exports by 30-40%. At present, there are around 16,000 powerlooms in Solapur and the total turnover of the business is `1,800-2,000 crore. Each unit is in the `1-5 crore category and qualifies as small-scale units or micro small-scale units. The industry provides employment to over 2 lakh workers.

Some 2 lakh kg of towels are made in the city daily and 60% of the towels are exported to countries including Europe, Russia, Gulf countries, South Africa and Sri Lanka. Even now, the dyeing process is done manually. Solapur is probably the only city in the country where all the processes are done in the same premises, Goski said. The units are often run by small families who work 12-16 hours a day to run their businesses.

According to him, the VTT summit, slated to be held in Solapur from September 25 to 27, aims to bring together a whole gamut of people involved in this sector from cotton growers and manufacturers to traders, exporters and importers on a single platform to harness marketing and export opportunities for terry towel producers and to close the gap between producers and consumers.

An aggregate of over 200 buyers from 20 countries and 3,000 domestic customers are expected to visit the expo. The visitors include department stores, wholesalers and retailers, corporate buyers, purchasing agents, merchants and exporters. Foreign countries participating include the US, UK, UAE, Canada, Poland, Germany, Australia and France, Govind Zanwar, vice-president , VTT, said.

Most of the units in Solapur still operate on traditional machinery and shuttle looms. A change has been seen in the last four to five years and there is a gradual shift towards technology. Factory owners are now adopting new machines.

Source: financialexpress.com – Sept 05, 2019

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Spinning no yarn

Cotton growers have had it good in the last one year, but US-China trade tensions could play spoiler.

For cotton farmers, ginners and spinning mills, 2018-19 was a great year.

For much of the main marketing season from October to December, kapas (raw un-ginned cotton) traded at Rs 5,200-5,500 per quintal in Bathinda's wholesale mandi, more than the government's minimum support price (MSP) of Rs 5,150 for medium-staple varieties/hybrids. Farmers who had stocked and sold their crop in April realised Rs 6,000-plus rates.

Ginners — those who separate the lint (white fibre) and seed from the picked crop — also made money. India's cotton (lint) exports rose to $ 2,104.41 million (Rs 14,627.55 crore) in 2018-19 (April-March), from $ 1,894.25 million (Rs 12,200.05 crore) in the previous fiscal. So did exports of cotton yarn manufactured by spinning mills: From $ 3,424.92 million (Rs 22,084 crore) to $ 3,895.52 million (Rs 27,190.25 crore).

But the current fiscal has been a disaster. Commerce Ministry data for April-July 2019 over April-July 2018 shows a collapse in both cotton and yarn shipments: the former from $ 813.96 million (Rs 5,474.15 crore) to $ 173.72 million (Rs 1,205.94 crore) and the latter from $ 1,395.23 million (Rs 9,407.15 crore) to $ 881.24 million (Rs 6,115.30 crore).

"All this is a result of the US-China trade war. Things were relatively fine till February-end. But matters have really escalated since then," says Suresh Kumar Gupta, managing director of Punjab Spintex Ltd, a Bathinda-based mill with 25,000-spindles spinning capacity. The 59-year-old has so far not cut production or laid off any of his 1,200-odd workers — 900 regular and 300 on contract — in his mill and towel manufacturing-cum-export concern Alaska Fabtech Pvt. Ltd, which is at Dera Bassi in Mohali district. He isn't sure, though, if this situation can continue.

The Oswal Group-owned Vardhman Polytex Ltd, on the other hand, has already sent home more than half of the 1,200 workers at its 1.05 lakh spindles unit at Bathinda in the last couple of months. "The fall in international yarn prices and raw material (lint) cost not coming down commensurately has left us with no option. There's no point waiting and continuing to make losses," states Vijay Arora, vice president of the company whose mill, set up in 1984, is Bathinda's oldest.

According to Sanjay Garg, president of the Chandigarh-headquartered Northern India Textile Mills' Association (NITMA), most yarn-making units in Punjab have reduced production by 20-50%. "My own mill (Longowalia Yarns Ltd at Ludhiana, with 65,000 spindles), is running for only five days of the week. Previously, we shut only for three days of the year during Holi, Diwali and Vishwakarma Jayanti (when machines and tools are traditionally worshipped)," he points out.

Last year, mills were selling combed yarn, for exports as well as the domestic market, at an average of Rs 230-235 per kg at this time, while lint prices ruled in the Rs 130/kg range. Currently, yarn is fetching only Rs 185-190/kg, with some mills even disposing off at Rs 170. Lint prices haven't declined as much and are now at roughly Rs 115.

Only 85% of the lint that mills buy gets used after cleaning to produce basic "carded" yarn, with the ratio at 70% in the case of "combed" yarn. At Rs 115/kg, the cost of lint in the combed yarn, thus, translates into nearly Rs 165. Adding power, labour, packing, interest and other charges takes the total to Rs 205 or so. "We are today losing Rs 15-20 on every kg of yarn that is spun from lint," claims Garg.

Lower yarn realisations have to ultimately be reflected in lint and kapas prices as well. That hasn't happened as yet. The new kapas crop that has barely started arriving in Punjab's mandis such as Abohar is quoting just above Rs 5,600 per quintal, higher than this year's MSP of Rs 5,255 fixed for medium staple varieties/hybrids.

Bhagwan Bansal, owner of S.S. Cotgin Pvt. Ltd, a ginning unit at Bathinda that can produce 150 bales of lint (one bale equals 170 kg) per day, attributes the firm kapas prices to better realisations from cottonseed. For every quintal (100 kg) of kapas processed, gins recover 33-36 kg of lint and 63-66 kg of seed. The lint is sold to mills, while the seeds are crushed in expeller and solvent extraction plants for production of oil and de-oiled cake/meal. Cottonseed oil is used in cooking and the protein-rich meal goes as animal feed ingredient.

“In the past, cottonseed prices were Rs 2,500-2,600 per quintal at the season’s start in September-October and would reach Rs 3,000 towards the end. But last year, they began at Rs 3,200-3,300 and are now at record Rs 3,700-3,800 levels. Demand for oilcake from feed manufacturers (due to last year’s lower crop of soyabean and maize, in addition to cotton) is the only thing holding up kapas,” explains Bansal, who is also past president of the Punjab Cotton Factories and Ginners Association.

He, however, admits that kapas rates cannot sustain if there is no demand for lint from exporters and mills. In the event, growers’ realisations may not really exceed MSP, unlike last year. Worse, prices could fall as crop arrivals from the main producing states of Maharashtra, Gujarat, Telangana, Haryana, Rajasthan and Andhra Pradesh pick up in November-December.

In 2017-18 and 2018-19 (October-September), India produced 370 lakh bales and 361 lakh bales of lint, while exporting 67.83 lakh bales and 65 lakh bales (projected), respectively. For the current year, total acreage under the crop has risen from 117.661 lakh hectares to 124.905 lakh hectares.

With benchmark global ‘Cotlook A Index’ prices at about $ 70 cents per pound, compared to over 92 cents a year ago, the outlook for exports isn’t all too good. The US-China trade tensions and growing risk to world trade and economic growth are adding to the uncertainties.

NITMA’s Garg wants the Narendra Modi government to clamp import duties on synthetic yarns, especially from Indonesia and Vietnam. “Duty-free polyester yarn imports alone from these two countries have shot up from 31,651 tonnes in 2015-16 (July-June) to 50,137 tonnes in 2018-19.

The government should further have a uniform goods and services rate on fibre and yarn (as opposed to 18% and 12%, respectively) and extend the scheme for rebate of Central and state taxes/levies for garments and made-ups to yarn as well. If the industry is to be saved, we have to export at any cost,” he adds.

Source: indianexpress.com – Sept 05, 2019

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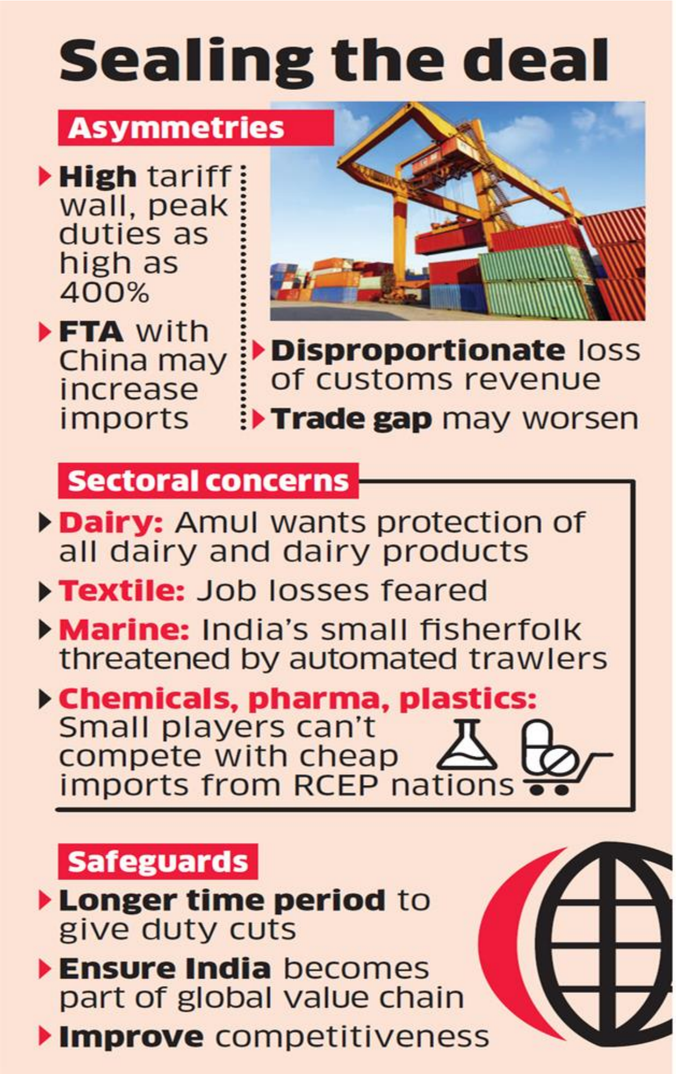
India readies list of products for sops as crucial RCEP meet nears

India has begun drawing up a list of products on which it can offer duty concessions to the 15 other Asia Pacific member countries, including China.

Policymakers will soon take a call on India's position in the Regional Comprehensive Economic Partnership (RCEP) trade agreement, negotiations for which have entered the final stage.



New Delhi has begun drawing up a list of products on which it can offer duty concessions to the 15 other Asia Pacific member countries, including China. Top officials have held several meetings this week in preparation of a crucial meeting of trade ministers of the grouping in Bangkok on September 7-8, said an official.

RCEP is a proposed regional economic integration agreement among the 10 Asean countries and their six free-trade agreement (FTA) partners—Australia, New Zealand, Japan, China, South Korea and India. Its member countries account for 47.4% of the global population, 32.2% of the global economy, and 29.1% of global trade. RCEP negotiations began in November 2012.

In India, there is apprehension among government departments and industry that a trade deal on the current terms will lead to China dumping goods in India.

The ministries of steel, agriculture and chemicals, and executives of industries such as dairy, steel, copper, textiles, aluminium, engineering, pharmaceuticals, leather and food, have expressed their reservations on it. "High-level meetings have taken place and more have been planned till Friday in the runup to the final political call," the official cited earlier said.

Last month, amid pressure to conclude the deal this year, New Delhi had said that an RCEP agreement will be acceptable only if it addresses the existing level of trade imbalance, especially with China.

India's trade deficit with the 16-member trade grouping is $105.2 billion, of which $53.6 billion is with China. India had then insisted that RCEP negotiations cannot conclude until its demands on duty cuts and cross-border movement of professionals are met, especially removal of restrictions by China for its information technology companies.

Sidharto Reza Suryodipuro, Indonesia's Ambassador to India, said, "Indonesia's views has always been consistent, that India is a crucial part of our regional architecture, what we call the Indo-Pacific."

Harinder Sidhu, High Commissioner of Australia to India, said, "Australia sees India as an essential participant in the RCEP. RCEP will help India increase its export competitiveness, integrate into regional production chains and attract investment.All of this contributes to new jobs and economic growth."

Experts say India can benefit from the agreement if it has the requisite safeguards in place to secure its interests.

"There should be certain safeguards that India should ensure before concluding the deal. These can be longer staging period, keeping products in which we can't get competitive out of preferential access, and ensuring that India becomes part of the larger value chain," said a Delhi-based expert on trade.

Bipul Chatterjee, executive director, CUTS International, said, "RCEP is an Asean-led initiative. While the strategic value of RCEP can't be over-stated, it should be balanced with its economic implications." Chatterjee added that RCEP should be an important pillar of India's Indo-Pacific doctrine.

Source: economictimes.com – Sept 06, 2019

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Gujarat: Sowing nears average mark in state, cotton acreage better than mean

With the state receiving normal rainfall and better spatial distribution of precipitation, farmers have completed sowing in 82.80 lakh hectare (lh) or around 98 per cent of normal plantation area with acreage of cotton and groundnut, the two main cash crops of the state, as well as that of food grain and oilseeds being average or better than average. However, acreage of pulses is lagging at only 68 per cent.

After a deficient July, the state received good rainfall in August. As of September 3, the state as a whole has received an average 814 mm rainfall which is 99.79 per cent of its long-term average. The good rainfall, which has better spatial distribution this year, has propped up sowing figures.

As of September 3, farmers completed sowing in 82.80 lh or 97.68 per cent of last three years' average of 85.76 lh, data available with the office of directorate of agriculture of Gujarat shows. It included 37.69 lh in Saurashtra region (45.52 per cent of the total area sown in state), 16.62 lh in north Gujarat region, 15.77 in central Gujarat and 7.19 lh in south Gujarat. Kutch, the largest district of the state has reported sowing in 5.51 lh. Officers say that total sowing area in the state is likely to remain average.

"It is very likely that the total sowing area will remain around 85 lh which is the normal sowing area of the state. The figures of Tuesday are likely to be revised upwardly in coming weeks as sowing of castor districts like Kutch is still in progress. Similarly, some improvement will also be reported from other districts. We shall get final figure by around September 15," Vijay Korat, deputy director of agriculture (input) of Rajkot region said.

Meanwhile, cotton acreage has already crossed the normal range of 25.86 lh and stands at 26.64 lh. It amounts to 103 per cent of average of the last three years. However, it is marginally lower than 27.03 lh (98.56 per cent) recorded during the corresponding time last year. However, 26.64 lh acreage of cotton constitutes 32 per cent of total planted area of the state. Saurashtra region leads the chart in overall sowing and cotton sowing also. Out of 37.69

lh area sown in 11 districts of the region, cotton accounts for 18.89 lh or more than 50 per cent of the total area.

But 18.89 lh is around 71 per cent of the total 26.64 lh area under cotton cultivation this year. Within Saurashtra, the largest area under cotton is Amreli district where farmers have sown the fibre crop in 4.02 lh. It is followed by Surendranagar with 3.55lh, Rajkot with 2.64 lh, Bhavnagar 2.37 lh, Morbi 1.86 lh, Jamnagar 1.66 lh and Botad 1.63 lh. The balance 1.12 lh plantation is reported from Porbandar, Gir Somnath, Devbhoomi Dwarka and Junagadh districts.

Similarly, groundnut has retained its position as the second largest crop sown in the state this Kharif season also. Its acreage of 15.50 lh forms around 19 per cent of the state's total 82.80 lh and around 99 per cent of the last three year's average acreage of 15.70lh. However, it amounts to 105 per cent of the last year's figure of 14.67 lh though monsoon remained highly deficient in many parts of Saurashtra. Just like cotton, bulk acreage of this short-duration crop is reported from Saurashtra. The region which has received 90 per cent of its long-term-average rainfall so far has recorded groundnut sowing in 12.67 lh. That translates to around 82 per cent of the total groundnut acreage in the state.

Besides cotton, acreage of paddy (103 %), pearl millet (105%) castor (102%), and fodder (107%) has been reported more than their respective average. Paddy has been sown in 8.23 lh, while fodder crops have been sown in 11.85 lh. Food grain crops, including paddy, peal millet, jowar and maize, have been sown in a total of 13.40 lh or 99 per cent of their average and marginally higher than 13.15 lh reported during the corresponding period last year. Acreage of oilseeds, which include groundnut, sesame seeds, castor and soya bean etc stands at 23.41 lh or 98 per cent of their average. Plantation of cash crops like cotton, tobacco together with vegetable and fodder is more than average-42.03 lh or 101 per cent.

However, acreage of pulses is lagging at just 68 per cent of its average. Farmers have sown pulses, including red gram, green gram, moth bean and black gram etc in total 3.94 lh. That is significantly low as compared to 4.31 reported at this time of the year last season.

Source: indianexpress.com – Sept 05, 2019

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Data localisation may not impede digital trade or e-commerce, says UNCTAD report

The report backs India's data localisation policy

India's push on mandatory data localisation which has been contested by developed countries, has found some support from the United Nations Conference on Trade and Development (UNCTAD).

In its latest report on the digital economy, it observes that governments may decide to restrict data flow for reasons such as privacy of data and protection of their citizens, security and economic development.

"The only way for developing countries to exercise effective economic "ownership" of and control over the data generated in their territories may be to restrict cross-border flows of important personal and community data," the report said. It argued that this was necessary due to the lack of any global agreement for recognising ownership of community data — once the data leaves the home jurisdiction, the notion of ownership becomes largely meaningless.

UNCTAD's 'Digital Economy Report 2019' was released globally on Wednesday night.

According to the report, India generated the ninth-highest e-commerce sales globally in 2017, by generating a total business of $400 billion. This included goods and services sold online, transactions via platform-based companies such as ride-hailing apps and room-sharing platforms. The contribution to GDP was 15 per cent.

Topic of contention

Data localisation, which requires companies to store data collected from individuals in a country in local servers and not in another country or jurisdiction, is an area of hot debate globally.

India is facing huge pressure from countries including the US and EU members to give up its insistence on data localisation.

While the RBI has made data localisation mandatory for payment systems, the Information andBroadcasting Ministry is working on a policy which places a number of restrictions on cross-border data transfer, such as disallowing sharing of the data with a third-party.

The argument against data localisation by developed countries is that restrictions on data flow would increase the cost of operations of foreign companies in India, and that it would also impede growth of business.

The UNCTAD report punctured the argument that data localisation impedes digital trade. The report said that cross-border data flows in themselves may not involve either trade or e-commerce.

Source: thehindubusinessline.com – Sept 05, 2019

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Creation of 10 million jobs in the apparel sector themed 15th ICAHT to be held on Sept 7 in New Delhi

The International Conference on Apparel and Home Textiles (ICAHT) is organizing the 15th conference on September 7 in the national capital.

The theme of the conference would be creation of 10 million jobs in the apparel sector.

The experts would deliberate on topic - double the industry's size and another 10 million jobs will be created.

Apparel Export Promotion Council (AEPC) in association with OGTC is organizing the event. The event is being supported by Development Commissioner, Ministry of Micro, Small and Medium Enterprises (DC MSME).

Some of the topics that would be deliberated upon are - Smart Factory –A Roadmap for Manufacturers to attain Competitiveness; Integration of the Supply Chain to Attain Business Excellence; Smart Factory Concept: A way of Doing Business in Future etc.

Experts from industry, institutions and government departments will speak and give presentations on various issues.

Source: knnindia.co.in– Sept 05, 2019

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Centre urged to scrap rule that blacklists apparel units

Apparel exporters have appealed the central government to relax a customs board rule that 'blacklists' them for violating export rules and availing government benefits through manipulative ways.

Raja M Shanmugham, president of Tirupur exporters' association, said, "Once we figure in the risky exporters' list, we can't avail benefits offered by the government. Customs officials would also verify the goods before allowing them to be shipped in ports and airports."

He said many apparel units were placed in the risky exporters' list for pricing the garments over and above the average price fixed for a particular model.

"For instance, $3 is the average price of T-shirts. If it is priced at $10, it is arbitrary. The price would differ based on the quality and value-addition. The customs think the exporter shot up the price deliberately in the bill to claim more in Integrated Goods and Services Tax (IGST)."

Shanmugham said if the exporters were to figure in the risky exporters' list, the customs would carry out 100% examination of the goods, instead of the normal procedure of checking 2-3% of the goods. "So, the goods may miss the vessel and packing arrangements may go disarray.

It would create chaos. If they believe the exporter tried unethically to claim more in IGST, they could summon the exporter and ask him/her for an explanation, before taking action. The rule is not acceptable and should be repealed," he said.

Source: timesofindia.com– Sept 05, 2019

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Indian e-com market size to touch $230 bn by 2028: report

Propelled by low data tariffs, affordable smartphones and growing Internet usage, the Indian e-commerce market size is projected to reach $230 billion by 2028 as it is outpacing the growth of the offline retail segment, according to a recent report by E-Commerce Council of India (TECI) and Channelplay, which helps companies sell better with technology solutions.

Another 40-50 crore shoppers are expected to come online in India in 10 years, joining the existing 10 crore online shoppers, said the report. E-commerce is now rapidly adding millions of buyers from tier-II and tier-III cities and beyond, a news agency reported citing the document.

Eighty nine per cent of the respondents said neutrality of the marketplace was important as a core principle and it should not have any of its own or related party sellers on the platform. Around 94 per cent respondents felt sellers controlled by the marketplace through various arrangements hurt the business of independent sellers on the platform.

Nine-tenths of respondents felt private labels by the marketplaces create a conflict of interest and the marketplaces should not be allowed to sell their private labels on the platform, according to the report.

Source: fibre2fashion.com – Sept 05, 2019

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Khadi by Raymond launched in 300 countrywide stores in 2018

In the year 2018, Khadi by Raymond was launched country-wide in more than 300 company stores, a move accompanied by a high-decibel marketing campaign.

The first Khadi store by Raymond was started at Kala Ghoda, Mumbai in February 2019.

Khadi means handspun and handwoven cloth. In 1918 Mahatma Gandhi started his movement for Khadi as relief programme for the poor masses living in India’s villages.

As India is celebrating 150th birth anniversary of Mahatama Gandhi Ji,Charkha Dialogue(Samvad), an annual mega conference dedicated to Gandhian philosophy on rural economy, governance, and sustainable development is being organised on October 11, 2019 in New Delhi.

Raymond Group, Indian textile major has created over 3 million (30 Lakh) work hours of employability for Khadi artisans at 30% higher wages in more than 75 clusters across 16 states during FY 2018-19.

“We created over 3 million hours of employability for Khadi artisans in more than 75 clusters across 16 states in India.”, said Gautam Hari Singhania, Chairman and Managing Director in Annual Report 2018-19.

“In a bid to encourage inclusive growth, Raymond continues to enrich the tailoring ecosystem, providing a platform for skill development in the textiles and apparel manufacturing industry by rapidly adding tailoring hubs across the country.”, Gautam Hari Singhania said.

Raymond has established a Greenfield linen manufacturing plant of Amravati during the year.

India’s apparel market is majorly driven by menswear, which holds major share in the apparel business, accounting for 43% of the total market. Women’s wear contributes almost 36%, while kids wear constitutes 21% of the apparel market. The sector is one of the fastest growing markets globally, supported by a robust demand growth.

“With world-class product quality and steadily increasing sourcing capability, we are committed to make Khadi a global currency of fashion from India.”, said, Sanjay Behl, CEO – Lifestyle Business.

“With a strong financial performance during FY 18-19 by all our businesses and purposeful strides on strategic milestones, we are making steady progress towards our vision of Raymond Reimagined.” report added.

India’s textiles industry is among the oldest industries in the country dating back several centuries. It is one of the largest contributors to the economy accounting for 4% of the GDP. It is the second largest contributor towards employment generation, after agriculture, contributing 10% to the country’s manufacturing, owing to its labour-intensive nature. The industry is characterised by its robust vertical integration in almost all the sub-sectors.

As a flagship business of Raymond Group, its Branded Textile segment has a dominant position in the Indian market as a B2C branded player for suiting and shirting fabrics. The vertical has grown over the years on the back of strong channel partner relationships, some lasting more than 50 years, as well as wide distribution reach.

With a strong distribution network that addresses robust fabric demand across Tier 1 cities to Tier 6 towns, the business has consistently launched new products and services keeping up with the customers' needs and preferences. In FY 2018-19, it witnessed strong growth driven by network expansion supported by growth in institutional and exports category.

The textiles and apparel industry constitutes 14% of the total exports of the country. India is the second largest producer and exporter of textiles after China and fourth largest producer and exporter of apparel after China, Bangladesh and Vietnam.

The fundamental strength of India's textile industry is its strong production base with a wide range of fibres and yarns that include natural fibres like cotton, jute, silk and wool; and synthetic and manmade fibres such as polyester, viscose, nylon and acrylic.

The Indian apparel industry was worth an estimated $54 billion in 2018 and projected to reach $118 billion in 2028 growing at CAGR of 8% over 2018-28 period.

Source: indiacsr.in - Sept 04, 2019

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FDI up 28 per cent in April-June 2019

Telecom, services top sectors; Singapore, Mauritius largest source

Telecommunications, services and computer software were the top areas attracting foreign direct investment (FDI) in India during the first quarter of the on-going fiscal. The total inflows into all sectors increased by 28 per cent to $ 16.33 billion, according to government figures.

In last fiscal, the FDI inflow during the first quarter was $12.75 billion in the comparable period.

Singapore was the largest source of FDI in India in the April-June 2019-20 period with $ 5.33 billion investments followed by FDI from Mauritius worth $ 4.67 billion, the US worth $ 1.45 billion, the Netherlands worth $ 1.35 billion and Japan worth $ 472 million.

While telecommunications emerged as the top sector in April-June 2019-20, attracting FDI worth $4.22 billion, services sector (which includes financial, banking, insurance, non-financial / business, outsourcing, R&D, courier and technology testing and analysis) was in the second position with FDIs worth $ 2.8 billion. This was followed by computer software and hardware with $ 2.24 billion and trading with $ 1.13 billion, as per the data released by the Commerce and Industry Ministry.

Delhi and parts of Haryana as well as Uttar Pradesh (UP), attracted the maximum FDI in the first quarter of 2019-20 at $ 5.04 billion. It was followed by Karnataka with FDI worth $ 3.01 billion, Ahmedabad with FDI worth $ 2.6 billion and Maharashtra with FDI worth $ 1.56 billion.

In 2018-19, India attracted FDIs worth $44.36 billion which was marginally lower than FDIs attracted in 2017-18, which were worth $44.85 billion.

Last month, the Central Government had announced certain relaxations in the FDI policy in sectors such as single-brand retail, contract manufacturing and coal mining, in the hope of making the regime more attractive and increasing investment flows.

Source: thehindubusinessline.com- Sept 04, 2019

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