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The Cotton Textiles Export Promotion Council [TEXPROCIL]
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IBTEX No. 220 of 2017 November 06, 2017

USD 64.73 | EUR 75.17 | GBP 84.61 | JPY 0.57

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
18119	37900	**74.62**

Domestic Futures Price (Ex. Gin), October

Rs./Bale	Rs./Candy	USD Cent/lb
18270	381217	**75.46**

International Futures Price

NY ICE USD Cents/lb (Dec 2017)	68.17
ZCE Cotton: Yuan/MT (Jan 2018)	15,010
ZCE Cotton: USD Cents/lb	**87.66**
Cotlook A Index – Physical	**79.25**

Cotton & currency guide: Seven weeks past cotton has been trading in a very sideways tone. The trading range has been between 66 to 70 cents. In fact over the course the band is further shrinking. In the gone by week cotton for across contracts traded in less than 3 cents to close the week at 68.72 cents per pound for the most active December future at ICE.

Interestingly the difference between December and March 18 contract has shrunk to almost zero which used to be nearly 1 cent a month earlier. This signifies cut down in the December open interest and expectation of lager supply is mounting over across contracts. December contract has less than 15 trading sessions to observe its 1st notice period the open interests are slowly declining from 0.14 million contracts to 0.10 million contracts. For next March contract the open interest is gradually increasing to close near 100,000 contracts. This clearly indicates of roll over positions and no major certified stocks entering into December future (The total was 27,995 bales) with making the spread narrowed.

We wouldn't be surprised the invert nature of March over December may move into contango in the near future.

From the technical perspective, the market remains in a trading range. December has spent the last 7 weeks in a range from 6684 to 7022. Market sees strong resistance from 6983 to 7134. If December could move decisively above the 7100-plus area, there could be a good reaction to the upside.

On the other hand, under the bottom of the 7-week trading range are three previous lows between 6615 and 6664. This is important support, so a move decisively below 6615 would be quite bearish. We believe unless the suggested range are broken out market would continue to trade in the same range. To break either side of the market strong triggers are required to come into the market.

On domestic front, all India daily seed cotton arrivals are estimated at approximately 129,000 to 130K lint equivalent bales (170 kgs), including 32,000 registered in Maharashtra, 29,000 in Andhra Pradesh and 27,000 in Gujarat. Spot price for Shankar-6 new crop during the week traded steady, at an average of Rs. 37,950 per candy, ex-gin (74.95 US cents per pound at the prevailing exchange rate). Quotes for new crop Punjab J-34 are firm at Rs. 3,863 per maund (about 72.70 cents per pound).

The reflection is partly seen on the futures contract. The both November and December has declined to settle the week at Rs. 18310 and Rs. 18220 per bale respectively. The spread performance was quite interesting in the last week. The spread was quite volatile.

The spread had moved down to close to ZERO which again has widened to Rs.90. Further on the price front Rs. 18K per bale remains a strong support for the market while Rs. 18500 as key resistance. We believe market may continue to trade in the same range and break out of either side should give a fresh direction to the market.

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

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INTERNATIONAL NEWS

North Korea allegedly trying to avoid U.N. trade sanctions via Russia

North Korea has been scheming to trade goods restricted by U.N. sanctions via Russia at a time when countries have strengthened measures to squeeze trade with Pyongyang to halt its missile and nuclear programs, sources close to the matter said Sunday.

Pyongyang has allegedly falsified documents and disguised its trade with Russia as that between Russia and China as a way to continue international trade of goods, including textiles and gasoline that are banned or restricted under sanctions imposed by a U.N. Security Council resolution.

A bill of landing of the North Korean cargo and passenger boat Mangyongbong that arrived at Vladivostok in the Russian Far East from Rason in northeastern North Korea in mid-October said a Russian company in Cheboksary, central Russia, imported 5 tons of North Korean-made garments via Vladivostok from a North Korean trade company.

But the president of the Russian company denied it had imported any goods from North Korea, saying its name was fraudulently used. It remains unclear where the garments went after arriving in Vladivostok.

The U.N. Security Council in September prohibited North Korea from exporting textiles, but allowed up to 90 days for trades that have already been contracted.

A document obtained by Kyodo News and a source close to the matter also revealed that North Korea has tried to illegally import gasoline, which the country is said to be desperately in need of, via Russia.

A North Korean company told a Russian broker in September that it will buy 10,000 tons of gasoline annually and requested to have it transported to Rason from Omsk in central Russia by rail, the document and the source said.

In an apparent attempt to stave off the sanctions, the North Korean company asked the Russian broker to write on a transaction document that the gasoline was exported to a Chinese company and to settle the accounts by cash rather than bank transactions.

A source close to Russia-North Korea trade said Pyongyang is trying to establish new routes to import gasoline through Russia as it has become harder through China, which has tightened its squeeze on its trade with North Korea.

Source japantimes.co.jp - Nov 05, 2017

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NAFTA and the Mixed Effects of Trade: A Mexican Case Study

In August 2017, the United States, Canada, and Mexico began renegotiations of the North American Free Trade Agreement (NAFTA)—one of President Trump's top priorities during his electoral campaign. Trump argued that trade with Mexico and Canada had resulted in job losses and trade deficits, particularly with Mexico. Negotiations are scheduled to end in December, however, this deadline is flexible and negotiations could be postponed until January of the following year.

In this context, it is important to assess NAFTA's consequences on employment and trade. From the Mexican perspective, a recent study by the Central Bank of Mexico analyzes two phenomenon: the consequences of the implementation of NAFTA in the 1990s, and the admission of China into the World Trade Organization (WTO) in 2001 on Mexican labor markets.

On the one hand, NAFTA resulted in increased Mexican manufacturing exports to the U.S. After NAFTA's implementation, Mexico expanded its production-sharing agreements under which the country imported manufacturing components and exported finished goods to the U.S. On the other hand, after China's admission to the WTO, Chinese exports to the U.S. increased, which implied greater competition and substitution for Mexican exports. Thus, NAFTA initially yielded benefits for Mexico's labor markets, but as China's trade liberalization grew, resulted in negative effects on Mexico's employment rate, particularly in regions more exposed to international trade and heavily reliant on unskilled labor.

To measure this effect, the authors used a statistical method known as "instrumental variables," a type of instrument that exploits correlation with some factors to explain an intended outcome. The outcome variables are the change from 1993 to 2000 (for NAFTA estimations) or from 2000 to 2008 (for China estimations) in the rates of unemployment, employment, and wages in Mexico.

The variable that affects that outcome is the measure of exposure of a certain area to NAFTA integration or Chinese competition in U.S. markets. For estimating the effects of substitution for Chinese goods, the authors used the change in Chinese exports to eight developed countries (Australia, Denmark, Finland, Germany, Japan, New Zealand, Spain and Switzerland) from 2000 to 2008 as the instrumental variable. This variable enables them to capture only the effects of an increase in China's export capacity.

The results suggest that NAFTA integration reduced unemployment of unskilled workers in manufacturing and increased real wages in Mexico. An increase in the NAFTA exposure measure from the 25th percentile to the 75th percentile is associated with a 24 percent decrease in the number of unemployed workers, or a 1.05 percentage point decrease in the unemployment rate.

On the other hand, Chinese competition increased the unemployment rate of manufacturing workers and decreased non-manufacturing wages in Mexico. Wages decreased in response to reduced employment in manufacturing, increasing the supply of workers in non-manufacturing sectors. The authors also found that both the positive and negative effects of the implementation of NAFTA and China's accession to the World Trade Organization were stronger in regions closer to the U.S. border which host large export-oriented industries.

This study supports the idea that the consequences of trade should be studied on a regional basis as some regions are more specialized in certain industries or more exposed to international markets. Moreover, this research reveals that international trade should be approached holistically.

A country can benefit from one treaty, but be negatively affected by another treaty or action that does not involve that country. Country A can have significant gains from doing trade with country B and can run a trade deficit with country C.

Thus, the negotiators of NAFTA in their forthcoming meeting should emphasize job creation and trade growth rather than creating trade surpluses for all countries that are part of the treaty.

Source: chicagopolicyreview.org- Nov 04, 2017

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Digital Disruption Will Cause Waves in Container Shipping

The Digital Age–new technologies, big data and the Internet of Things–will help reinvent the container shipping industry in coming decades.

A new study from McKinsey, "Container Shipping: The Next 50 Years," recommends that shipping companies should invest in digital technologies to differentiate their products, disintermediation of value chains, improve customer service, raise productivity and cut costs.

"The risk is that tech giants and digital disruptors will capture most of the value from customer relationships by moving faster than incumbents," the study said.

Over the next half century, advances in the use of data and analytics will bring significant changes in productivity. McKinsey said shipping companies could heed the example of today's state-of-the-art aircraft that generate up to a terabyte of data per flight.

Coupled with the introduction of more sensors, the better usage of the data that ships and containers generate would allow enhancements such as optimizing voyages in real time by taking into account weather, currents, traffic and other external factors, smarter stowage and terminal operations, and predictive maintenance.

Data could also improve the coordination of arrivals at port—a major benefit, since 48 percent of container ships arrive more than 12 hours behind schedule, wasting the carriers' fuel and underutilizing the terminal operators' labor and quay space, the study noted.

Data can create additional value for customers, as well.

"Full transparency on shipments, from one end of the value chain to the other, would be an enormous boon to carriers, forwarders and shippers alike, giving them access to real-time information and enabling them to predict a container's availability [and] arrival times," McKinsey said.

Some ports, such as Antwerp, Hamburg and Singapore, are already starting to share information in real time across data ecosystems, which could eventually extend throughout the whole industry. That would create a truly integrated end-to-end flow of containers and therefore make the industry more productive by reducing handovers, waiting times and unnecessary handling.

"A data-enabled shipping industry could also support its customers' supply chains in important ways, but that will require a truly new order of performance and efficiency," the study said. "The real-time visibility of all container movements, reliable forecasts and integrated flow management will pave the way for flexible, dynamic supply chains that all but eliminate waiting times and inefficiencies."

It will also allow smart logistics providers to differentiate themselves and earn premiums.

McKinsey noted that one technology in particular—3-D printing—could have a novel impact on trade volumes, but not by precipitating a mass localization of production. With this technology, objects are made by adding layers, thus minimizing waste, instead of by milling down materials. The Airbus subsidiary AP Works, for example, recently used 3-D printing to manufacture an electric motorcycle 30 percent lighter than a traditionally made one, mostly by using less material.

"As 3-D printing gets cheaper, faster and more compatible with metals, ceramics and other materials, its increasing use may affect trade in raw materials for manufacturing," McKinsey added.

Source: sourcingjournalonline.com- Nov 03, 2017

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Myanmar’s Garment Industry is on a Growth Path

Myanmar is starting to get more attention and investment in the garment manufacturing sector, despite some persistent political and labor strife.

Myanmar SUMEC Win Win Garments Co., a unit of SUMEC Textile and Light Industry Co., has opened a new factory in Shwe Pyi Thar Industrial Zone in Yangon, according to Asian press reports.

Speaking at the opening ceremony, U Aung Htoo, Myanmar’s Deputy Minister for Commerce, said preferential policies and a large labor market give the industry opportunity for growth, and that the new factory will create more jobs and contribute to the country’s and industry’s economic growth, reports noted.

The new factory, with 40 production lines currently, is designed to have 50 production lines with the capacity to produce 4 million pieces of apparel annually. This would increase the company’s yearly capacity to 10 million pieces in Myanmar and lift its exports to $100 million.

Chinese Ambassador Hong Liang said with Myanmar’s economy becoming more open, more Chinese enterprises are investing there.

Meanwhile, U.S. apparel imports from Myanmar increased 76 percent to $77.34 million worth of goods for the year through August, with man-made fiber dresses, underwear, pants and coats the top categories.

In November 2016, the U.S. re-designated the country, formerly known as Burma, as eligible for the General System of Preference program.

While U.S. trade with Burma remains small, since the initial lifting of sanctions, it has grown significantly. In 2016, two-way goods trade was $438 million, with U.S exports totaling $194 million, having almost quadrupled since 2012, according to the U.S. Trade Representative’s Office.

The U.S. had imposed sanctions on the country during its troubled military reign and slowly started lifting them in 2011 when Myanmar formed a civilian government. The country held its first nationwide election late last year after decades of military rule and Suu Kyi won by a landslide.

Myanmar is a party to many regional free trade agreements. These include the ASEAN Free Trade Area, and ASEAN agreements with Australia, New Zealand, India, Japan, China and South Korea.

Myanmar's most recent political crisis has seen more than 600,000 Rohingya flee predominantly Buddhist Myanmar to neighboring Bangladesh since late August to escape violence that accompanied a brutal military counter-insurgency operation after Rohingya militant attacks on security posts in Myanmar's Rakhine State.

Stung by international criticism and accusations of ethnic cleansing, Kyi has said Rohingya refugees who can prove they were resident will be accepted back.

In February, Myanmar's government set a $2.61 minimum daily wage, which was less than the $4.07 rate worker groups desired at the time. There have continued to be sporadic instances of worker strikes and protests over factory conditions and union organizing.

Source: sourcingjournalonline.com- Nov 03, 2017

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USA: Commerce Department Finds Unfair Subsidies on Polyester Fiber from China and India

The U.S. Commerce Department, in preliminary determinations in countervailing duty investigations, found that exporters of fine denier polyester staple fiber from China and India received unfair countervailable subsidies, of between 41.73% and 47.64% in China, and 7.18% to 9.86% in India.

The Commerce Department will instruct U.S. Customs and Border Protection to collect cash deposits from importers of fine denier polyester staple fabric from China and India based on these preliminary rates.

In the China investigation, Commerce has calculated preliminary subsidy rates of 41.73% for Jiangyin Hailun Chemical Fiber Co. Ltd. and 47.64% for Jiangyin Huahong Chemical Fiber Co. Ltd. Commerce has determined a rate of 44.695% for all other Chinese producers and exporters.

In the India investigation, Commerce calculated has calculated preliminary subsidy rates of 7.18% for Bombay Dyeing & Mfg. Co. Ltd. and 9.86% for Reliance Industries Ltd. Commerce has determined a rate of 9.37% for all other Indian producers and exporters.

Imports from companies that receive unfair subsidies from their governments in the form of grants, loans, equity infusions, tax breaks and production inputs are subject to “countervailing duties” aimed at directly countering those subsidies.

The CVD law provides U.S. businesses and workers with a transparent, quasi-judicial and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the U.S., establishing an opportunity to compete on a level playing field.

For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or the use of domestic goods over imported goods.

In 2016, imports of fine denier polyester staple fiber from China and India were valued at an estimated $79.4 million and $14.8 million, respectively.

The petitioners are DAK Americas LLC of Charlotte, North Carolina; Nan Ya Plastics Corp. America of Lake City, South Carolina, and Auriga Polymers Inc. of Spartanburg, North Carolina.

Unless the final determinations are aligned with concurrent investigations, Commerce is scheduled to announce its final CVD determinations on Jan. 16.

If the department makes affirmative final determinations of subsidization and the U.S. International Trade Commission makes affirmative final injury determinations, Commerce will issue the CVD orders.

If Commerce makes negative final determinations of subsidization or the ITC makes negative final determinations of injury, the investigations will be terminated and no order will be issued.

The Commerce Department's Enforcement and Compliance unit within the International Trade Administration is responsible for vigorously enforcing U.S. trade laws and does so through an impartial, transparent process that abides by international rules and is based solely on factual evidence.

From Jan. 20 through Oct. 31, Commerce has initiated 77 anti-dumping and CVD investigations, a 60 percent increase over the previous year. Commerce currently maintains 411 AD and CVD duty orders that provide relief to American companies and industries impacted by unfair trade.

Source: sourcingjournalonline.com- Nov 04, 2017

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USA: Smart clothes shipments to grow 45% per year by 2022

Smart clothing shipments are projected to increase from just under 5 million in 2017 to over 31 million. This represents an incredible compound annual growth rate of 45%.

It's fair to say, these types of garments have yet to reach mass market appeal and currently lag behind fitness trackers and smartwatches. But sensors embedded into your everyday wear are in a great position to understand the minute workings of your body. Best of all, these are items you would have worn anyway, only smarter.

The latest market growth projections come from technology intelligence company ABI Research. Their figures reveal that smart clothing will have the second highest growth rate over the next five years behind hearables. Albeit, this is from a relatively low starting base.

At the moment, this market mostly caters to sports professionals as smart garments offer more accurate readings than something that is sitting on your wrist. As costs come down, the technology will have a wider reach with both consumer and enterprise users.

Current generation sensors are either attached to apparel or embeded in the garment itself as demonstrated by products from Ralph Lauren, Sensoria, OMsignal, Hexoskin, Google, and Levi's. In the next generation the garment itself will be the sensor.

ABI Research expects it will not be too long before some of the larger tech players enter this space. But there are further issues that need to be ironed out before that happens.

It is safe to say, we can look forward to a not too distant future when having smart clothes in your wardrobe becomes the norm. Perhaps not five years from now, but one day this should make wrist worn fitness trackers obsolete.

Source: gadgetsandwearables.com- Nov 06, 2017

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Pakistan: Talks on FTAs with Thailand, Turkey under way, NA told

The negotiations for free trade agreements with Turkey and Thailand are at an advanced stage to promote the country's exports. Parliamentary Secretary Commerce, Shaza Fatima told to the National Assembly on Thursday during the question-hour session. She said that negotiations with Iran on Free Trade Agreement are also being initiated and a joint research study to access the potential for a preferential arrangement with South Korea is underway.

She said that negotiations for the second phase of Free Trade Agreement with China are also underway. She said that China has agreed to favorably consider elimination of tariff on Pakistani products.

She said that Pakistan has not signed any Free Trade Agreement (FTA) with any country since June 2013. However, she said that the government is negotiating Free Trade Agreements with Thailand and Turkey which will be signed after conclusion of negotiations.

She said that eight rounds of negotiations have been held so far between Pakistan and Thailand. Both sides have completed the text of the agreement, shared their respective initial request lists and tariff reduction modalities, she said.

About FTA with Turkey, she said that the government is in the process of negotiating comprehensive Free Trade Agreement (FTA) with Turkey to remove barriers to its exports in Turkish market. She said that this FTA covers trade in goods, trade in services and chapter on investment. She said that so far seven rounds of negotiations have been held.

In a written reply to a question, Minister for Commerce and Textile Muhammad Pervaiz Malik said that negotiations for the 2nd phase of China-Pakistan Free Trade Agreement (CPFTA) are under way.

He said that Pakistan has raised its concerns on widening trade deficit and erosion of trade preferences. He said that China has agreed to favorably consider elimination of tariff on priority on products of Pakistan's export interest.

Answering another question, he said that sustaining GSP Plus in the European Union as a result of qualification for GSP+ scheme, Pakistani products have been enjoying duty-free access in the European Union since 1st January 2014.

He said that through this arrangement Pakistan's export to the EU have increased from 4.54 billion euros in 2013 to 6.29 billion euros in 2016. Pakistan's exports to the EU have increased by 38% in 2016 over 2013. He said that moreover, Pakistan bilateral trade with Hungary in 2016-17 has increased to US$ 61.23 million comparing with US$ 49.32 in 2015-16.

In another written reply, Minister for Commerce and Textile Pervaiz Malik said that the China-Pakistan Free Trade Agreement covering goods and investment was signed on 24th November, 2006, and implemented from 1st July 2007.

He said that under the FTA, concessions were obtained in raw materials and intermediate goods so that Pakistan could become part of the Chinese value chains. As a result, exports of Pakistan increased from US $575 million in the year 2006-07 to US $1463 million in 2016-17 registering an increase of 154%.

He said that presently, Ministry of Commerce is negotiating the 2nd Phase of the FTA with China. He said that the focus is on exchanging concessions in such areas where the strengths of the two countries complement each other thereby encouraging intra-industry trade. He said that furthermore, concessions are also being requested in the Chinese "sunset" industrial sectors which would incentivize Chinese investors to relocate their production facilities in Pakistan.

He said that during the 8th round of negotiations of the 2nd Phase of CPFTA held on September 14-15, 2017 in Beijing, the Pakistan side made a detailed presentation on the investment opportunities in Pakistan and highlighted the incentives available under the various schemes.

He said that the Chinese side was requested to consider the relocation of export oriented Chinese industry into Pakistan in sectors like garments, solar panels, mobile phones, electrical equipment, electronic and food processing. He said the Chinese side appreciated Pakistan's proposal and agreed to share the same with the relevant authorities to facilitate re-location of industry into Pakistan.

Through another reply, the minister said that textile exports have increased by 0.04% in 2016-17 compared to 2015-16; on month on month, September 2017-18 textile exports increased by 12.44% compared to September 2016-17. he said that August 2017-18 textile exports increased by 8.55% as compared to August 2016-17, July 2017-18 textile exports increased by 2.78% as compared to July 2016-17 and July-September 2017-18 textile exports increased by 7.91% as compared to July-September 2016-17.

Source: brecorder.com - Nov 04, 2017

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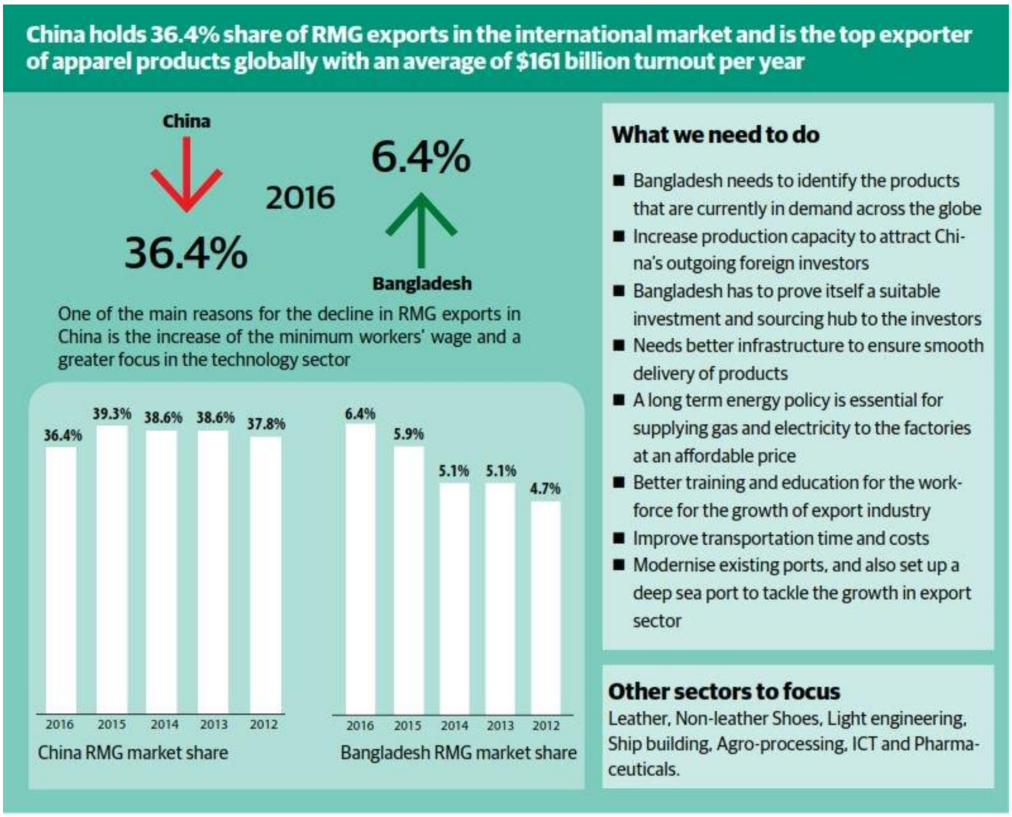
Can Bangladesh tap into China's declining share in RMG export?



As China's relative share of global Readymade Garment (RMG) exports start to drop thanks to rising standards of living there, a number of nations are queuing up to grab the opportunity.

As the second largest RMG exporter in the world, Bangladesh is naturally a front runner in this race. However, the country faces stiff competition from South Asian and South East Asian neighbours.

Add to that, Bangladesh is yet to systematically address its weaknesses in creating a congenial business and investment atmosphere.

According to the World Trade Statistical Review 2017 of the World Trade Organisation (WTO), Bangladesh's share in global RMG market went up from 5.9% in 2015, to 6.4% in 2016.

On the other hand, China's market has dipped from 39.3% to 36.4% in 2015. According to a World Bank study titled Stitches to Riches? : Apparel Employment, Trade, and Economic Development in South Asia, a 1% apparel price increase in China would create 1.36% additional demand for Bangladeshi products on its largest export market, the USA.

Meanwhile, a 1% rise in expected wages over there would raise the probability of women entering the labour force by 30.6% in Bangladesh. The report also said 10% price increase in China on the US market would also create 4.22% more employment in Bangladesh.

However, according to the Ease of Doing Business rankings published by World Bank, Bangladesh slipped one place to 177th after being ranked 176th last year.

To capture a stake in China's RMG market, Bangladesh needs to identify products that are currently in demand across the globe, and also the buyers for these products, said industry insiders.

"There is a possibility that Bangladesh will receive more low-end work orders, due to a rise in workers' wages across the globe. However, countries such as Vietnam, Cambodia, Myanmar, India and Pakistan also have the same advantage," said Centre for Policy Dialogue (CPD) Research Director Khondaker Golam Moazzem.

"Bangladesh lacks a business friendly environment, which is essential to attract buyers, as well as foreign investors. We are also weak in creating a network with potential buyers."

The inefficiency of the Chittagong port, which contributes to lengthy transportation time, is also a major drawback. We should have a strategy to establish relations with investors who are leaving China, he said.

“Bangladesh is ready with a pool of safe and compliant factories certified by the global buyers. What this sector really needs is better infrastructure to ensure smooth delivery of products,” said BGMEA senior vice president Faruque Hassan.

He added that a long term energy policy is essential for supplying gas and electricity to the factories at an affordable price.

“Bangladesh’s competitive advantage is its young workforce and comparatively low wages. However, production costs have gone up recently due to compliance issues,” Hassan told the Dhaka Tribune.

The BGMEA official said better policy support, along with better training and education for the workforce, are essential for the growth of export industry.

“Workers’ productivity and efficiency – key tools in reducing production cost, are also a big challenge for the RMG sector in Bangladesh,” said Exporters Association of Bangladesh (EAB) President Abdus Salam Murshedy.

“The majority of the factory owners have upgraded the production process by introducing the latest technology. But, due to the inefficiency at mid-level management, workers fail to reach targeted productivity,” added Salam, who is also the managing director of Envoy Textiles

An official of a Swedish multinational clothing-retail company, seeking anonymity, said “Despite having comparatively low wages, Bangladesh has a big disadvantage – longer lead times. Due to longer lead times, buyers choose China and other exporting countries to source products from.”

Meanwhile, workers’ rights groups and trade union leaders called for properly establishing workers’ rights to increase work orders.

“If, Bangladesh wants to be a hotspot for the RMG industry, factory owners will have to treat workers with dignity,’ said Nazma Akter, president of

Sammilito Garment Sramik Federation. Meanwhile, Bangladesh stands to benefit from the corrective measures taken up by the industry as a result of inspections carried out by Accord and Alliance following the Rana Plaza disaster. “Completion of Accord and Alliance inspections will help Bangladesh boost exports in the future as a number of other countries do not have certification from buyers,” said Moazzem.

Moazzem pointed out that Bangladesh government must take measures to modernise existing ports, and also set up a deep sea port to improve growth in the export sector and overcome timing problems.

Opportunities beyond RMG, beyond China

Along with the apparel sector, Bangladesh has the opportunity to expand several other export sectors such as leather, non-leather shoes, light engineering, ship building, agro-processing, ICT and pharmaceuticals.
“Bangladesh has a unique opportunity and the workforce required to dominate the global market, when China gradually winds down manufacture of low-cost products. We can sell these types of products to global suppliers, as China’s labour costs are on the rise,” Engineer M Abu Taher, chairman of Fortuna Group told the Dhaka Tribune.

“Workers’ wage in Bangladesh is low compared to China, but so is the productivity of workers. We must focus on boosting productivity of our workers, before trying to take China’s stake in the global market,” Taher said. Bangladesh can gain a distinct advantage in the international market not only from wage hikes in China, but also from Cambodia and Vietnam.

These two countries have decided to increase minimum wages, which will come into effect from January, 2018. Cambodian government agreed to raise workers’ wages from $140 to $153 in the country’s textiles and footwear industry.

Meanwhile, Vietnam’s National Wage Council has announced that the regional minimum wage may rise by 6.5% in 2018. The current wage is at around $175 a month. Bangladesh also stands to attract more foreign investment, as investors are hunting for a low-cost production hub in South Asia. Foreign investors, especially from Japan, are planning to relocate businesses from China, as the cost of doing business there is rising.

According to the Japan External Trade Organisation (JETRO), the number of Japanese businesses in Bangladesh has more than tripled since 2008, and reached 253 as of May, 2017.

“Japanese investors will choose Bangladesh as an investment destination as labour costs are comparatively lower here, than in Japan and other East Asian countries,” ABM Mirza Azizul Islam, former adviser to a caretaker government told the Dhaka Tribune. He urged the government to offer an attractive package for the foreign investors at special economic zones for boosting foreign investment at a faster rate.

Source: dhakatribune.com- Nov 05, 2017

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NATIONAL NEWS

GST Impact: Parl panel hears industry bodies

Amid spotlight on hardships faced by the traders over implementation of Goods and Services Tax (GST) — in the backdrop of the Gujarat assembly polls — a Parliamentary Committee on Friday heard the concerns of industry bodies over the issue.

Representatives of industry bodies, including Federation of Indian Chambers of Commerce and Industry (FICCI) and Associated Chambers of Commerce and Industry of India (ASSOCHAM), presented their views before the Parliamentary Standing Committee on Commerce headed by Naresh Gujaral of NDA ally Shiromani Akali Dal.

Sources said the trade bodies raised a number of concerns regarding implementation woes of GST. The panel has also asked them to submit their written responses.

The panel has sought to know from them what has been the impact of the GST on exports.

Besides the two top trade bodies, the panel also heard the views of the Indian Banks Association (IBA), Council for Leather Exports (CLE) and The Cotton Textiles Export Promotion Council (TEXPROCIL).

Sources said that in the next meeting likely to be held this week, the Commitee will call government officials to seek their opinions on concerns raised by the trade bodies.

In the last meeting of the Committee held in October, apparel exporters had highlighted their problems due to the GST. Making a representation before the panel, the Apparel Export Promotion Council (APEC) had pressed for early consideration of tax refunds blocked on purchase of many agricultural input items and various central and state levies.

Source: dnaindia.com- Nov 04, 2017

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Expo Indonesia hopes to grow bilateral ties between India and Indonesia

Around 47 exhibitors will display their products and conduct B2B table top meetings at the Expo Indonesia Trade, Tourism and Investment fair that opened in Mumbai today. Organised by the Consulate General of Indonesia in Mumbai, the expo is scheduled to run till November 5, 2017 at World Trade Centre.

Speaking exclusively to FE Online, Saut Siringoringo, Consul General of the Republic of Indonesia in Mumbai informed, “This is the second Expo Indonesia in India. This year we have more participants – 47 companies as compared to 30 last year.

So the Expo is growing. I want the exhibitors to not just look at the business they can get from the India market which has huge potential for Indonesian businesses. If they can get good Indian partners, I am happy for them. The bilateral ties between the two countries is worth US$ 16 billion per year, dominated by coal and palm products.

For the future of the bilateral relations, we must diversify into more products like handicrafts and furniture which Indonesia is known for. Recently, a businessman from Kerala ordered 97 containers of furniture from our country.

Indonesian knock down/portable wooden houses also have huge potential in the India market. I hope to see a 10 per cent y-o-y growth in bilateral business between our two countries.”

The expo will showcase products and services ranging from home interiors and decor goods, fashion products, garments/batik, handbags, food and beverage, traditional handicrafts, wood and rattan furniture, health, beauty and spa, jewellery, tourism and related services.

The Consul General added that he also sees a lot of potential for Indian products in Indonesia like rubber and textiles.

“Indian textiles are very popular in our country. Your film and creative arts is also much in demand.

We have nearly eight Indian TV shows being aired on Indonesian TV channels. These shows have a huge fan following," he said. Siringoringo reiterated that more than the business, he wants the delegation to invest in the people-to- people relationship. "There is a lot of similarity between our cultures and we must use this to connect with each other. I would like to point out here that India has excellent education and healthcare products that can compare with the best in the world.

India offers quality education in a safe environment and at competitive prices. So Indonesian parents must look at India as an option to send their children for education," he said.

Source: financialexpress.com- Nov 04, 2017

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Traders, ginners in Maharashtra want cess on cotton removed

Members of the Cotton Association of India (CAI) and Maharashtra Cotton Ginners Association (MCGA) met chief minister Devendra Fadnavis seeking the removal of Agriculture Produce Market Committee (APMC) fees. Pradeep Jain, president, MCGA said the APMC's charge a market cess of 1.25% of the value of the cotton brought to the market. "So if the value of cotton is Rs 4,500 then the cess comes upto Rs 50 which is not logical at all. Moreover, usually traders factor in the market cess when they make payments to farmers for the cotton purchased from them. So farmers end up getting less money. This kind of cess is not needed." Industry observers pointed out that market committees do not provide any extra amenities to charge this kind of cess which is a major cost to the ginners.

The CM assured the delegation that mandi fees will be withdrawn shortly in the state. Cotton prices at present are around Rs 4,400 per quintal to Rs 4,500 per quintal. Cotton prices in Maharashtra had firmed up after the Gujarat government announced a bonus of Rs 100 per 20 kg for cotton (Rs 500 per quintal) to be paid to farmers. Although cotton prices have not touched the minimum support price (MSP) levels yet, Maharashtra cooperation minister Subhash Deshmukh has already directed Agriculture Produce Market Committees to commence online registrations of farmers for the purchase of cotton from October 18 for the 2017-18 cotton season.

Cotton MSP has been raised by Rs 160 per quintal to Rs 4,020 per quintal for medium staple cotton and Rs 4,320 per quintal for long staple cotton. CCI and Nafed are the two agencies appointed by the government to extend the necessary marketing support to the cotton growers in selling their cotton produce at the most competitive prices in the various market yards in all cotton-growing states. These in turn appoint sub-agencies to procure cotton at the local level as well.

Jain said that cotton prices are unlikely to touch MSP levels until December when arrivals increase. At present, arrivals have commenced in steady numbers to the tune of 25,000 to 30,000 bales a day. With India expecting cotton production of 400 lakh bales this season (October 2017 to September 2018), the Cotton Corporation of India should procure at least 100 lakh bales during the peak arrival months so that prices remain stable, said J Thulasidharan, president of Indian Cotton Federation.

In a memorandum to the Prime Minister, Thulasidharan said that according to the International Cotton Advisory Committee, cotton production is expected to be 75 % in surplus during the current year globally. This is likely to impact prices, especially for farmers in the country.

In India, most of the arrivals will be between November 2017 and February 2018. There might not be sufficient buyers in the market during this period and only those who have financial resources will buy cotton in bulk. There are possibilities of more exports too. In order to ensure that farmers get remunerative prices, CCI should step in and buy 100 lakh bales during the peak season, Thulasidharan had said recently.

As per ministry of agriculture, cotton had been sown on 111.55 lakh hectares till July 28, as against 92.33 lakh hectares for the same time last year, indicating an increase of close to 21 % in the acreage.Maharashtra has registered kharif cotton sowing of over 38.47 lakh hectares, while in Gujarat the area stood at 25.84 lakh hectares.

Source: financialexpress.com- Nov 02, 2017

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GSTN launches new facility for exporters to claim refunds

GST Network today said it has introduced a utility Table 6A in Form GSTR1 for exporters to claim refunds. An exporter can claim refund of Integrated GST tax paid at the time of export by filling the details of shipping bill and tax paid GST invoice in his Form GSTR1 in the relevant month. "Table 6A of Form GSTR1 has been introduced on the GST portal," GSTN said in a statement.

The shipping bill filed by an exporter with customs authorities is considered to be an application for refund of integrated tax paid on the goods exported out of India. Table 6A of FormGSTR1 enables taxpayers to file export related data for the tax period so that refund of that tax- period may be processed on the basis of declaration made under Form GSTR 3B and Table 6A of GSTR 1.

Since for the months of August, September and October a number of taxpayers have filed return GSTR- 3B but as the dates for filing of GSTR-1 for August onwards have not yet been notified and GSTR1 has not been filed, therefore to enable exporters to file for refund, this functionality has been made available, the GSTN said.

Exporters can save and upload their export data which are part of GSTR-1 after filling up export details in table 6A. The table will be then extracted separately and after exporters digitally sign it, it would automatically go to the customs department. The customs department will then validate the information provided in the table with the shipping bill data and also the taxes paid in GSTR-3B.

The refund amount would be either credited to exporter's bank account through ECS or a cheque would be issued. "Every registered taxable person who has made exports on payment of IGST, other than an input service distributor or compounding taxpayer or TDS deductor or TCS collector can file Table 6A of Form GSTR1 electronically on the GST Portal" GSTN CEO Prakash Kumar said. The table can be filed from the returns section of the GST Portal.

Source: financialexpress.com- Nov 05, 2017

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Government channels North East's silk route to counter China's growing silk market

Amidst a slew of measures, the Government is now making an effort to tap the potential of indigenous silk portfolios in the North East. With an investment close to Rs 700 crores, 24 projects in the North East would help the government meet the national raw silk production target.

"China is producing close to 1 lakh tonnes of mulberry silk everywhere. We want to use the best of our potential and use the skills available in the North East and increase its contribution of 21% to the total silk produced in the country to 24% by the end of the fiscal," said Moncy Issac, deputy secretary, technical, Central Silk Board.

Issac who is handling these 24 projects under the North East Region Textile Promotion Scheme said that the broad objective of the scheme is to develop and modernise the textile sector in the North East Region by providing the required Government support in terms of raw material, seed banks, machinery, common facility centres, skill development, design and marketing support among other things.

The specific objectives of the scheme include an increase in the value of textile production, technology upgradation, improvement in design capability, diversification of product lines and value addition, better access to domestic and export markets, clusterisation and improvement in labour productivity, market access & promotion.

The 24 projects would be spread all across the North East with seven of them in Assam, two in Arunachal Pradesh, two in Manipur, two in Meghalaya, three in Mizoram, four in Nagaland, one in Sikkim and three in Tripura.

"The national raw silk production target for the year is 33840 tonnes and our modest target is to contribute 7000 tonnes to it from the North East only," added Issac.

The total silk production in 2016-2107 was 30348 tonnes with 21273 tonnes of mulberry, 5637 tonnes of eri, 3268 tonnes of tussar and 170 tonnes of muga.

Silk produce in the North East are a mixed bag of varities like eri, muga, mulberry and tussar. With these new projects, the primary target is not just to increase the production bulk but also work on the quality and make the best use of the skill in the region.

"Down south raw material is produced at one place, weaving at one other and finishing and selling in some other but in the North East people farm cocoon in their backyards and do the weaving themselves. We need to exploit this at a commercial level and make the North East the leading producers of silk by doing everything that we can to scale up their produce quality and quantity," Issac said.

While the projects are already running in the North East, the ultimate impact of the project with complete utilisation of resources can be felt only by 2030 when the North East alone will be capable of contributing 32% of the total raw silk produced in the country.

Source: moneycontrol.com – Nov 03, 2017

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Fast fashion was inspired by Europe's inability to mimic Indian garb

For many centuries, Asia was both the center of the world's textile production and the source of its fashion trends. India, in particular, was responsible for the largest share of textile production and for much of the finest kinds of cloth. Indian manufacturers had sophisticated methods for weaving cotton into light, breathable textiles, and vibrant, long-lasting dyes that gave these fabrics dazzling colors. From the Middle Ages to the early 19th century, Indian textiles were one of the most popular global commodities. Indian producers developed special lines for export to Southeast Asia, Africa, and Europe, adapting to local demand.

Today, the centers of the global fashion industry lie in Europe and North America, with cities like New York, London, and Milan setting trends for the rest of the world. It's still in Asia, however, that the textiles designed in these fashion hubs are actually made, with China and India leading global production. This unequal separation of design and manufacture is rather new in history. The story of how this came to be reveals the extent to which

Asia’s textiles and fashion sense inspired the modern fashion industry. It also shows how the West’s appropriation of those aesthetics paved the way for the troubling fast-fashion environment we live in today.

Europeans began sailing to India in the late 15th century in search of spices, but textiles soon became the most important import from the region. By the 17th century, such large quantities of Indian cloth were flooding into cities like Amsterdam, Paris, and London that leaders of local textile industries grew afraid. They lobbied governments to ban Indian textiles. The French monarchy responded, not only forbidding merchants to import dyed cotton cloth from India, but also forbidding manufacturers to make dyed cotton cloth themselves. Lawmakers reasoned that French versions of Indian cloth would be only poor imitations of the real thing, and so would encourage more demand for the genuine Indian article.

But French consumers, as historians like Felicia Gottmann of the University of Dundee have shown, were willing to break the law to get their hands on the Indian cloth that they craved. While the ban was in force, from 1686 to 1759, tens of thousands of pieces of Indian cloth were smuggled into France. As they purchased these illicit goods on the black market, French consumers, particularly upper-class fashionable women, risked fines as large as the cost of a house, confiscation of their property, and the indignity of appearing in court alongside people they considered their social inferiors. They transformed the illicit cloth into nightgowns, coverings for furniture, and, for those willing to defy the law in public, street clothes. Punishments fell most heavily on smugglers and merchants, but it was not uncommon to see women dragged off the street or out of their own homes for possession of Indian cloth. In 18th century France, the state took crimes of fashion seriously.

By the 1750s, government officials and their economic advisors were ready to abandon these heavy-handed and ineffective measures. They decided on a new policy: the French government would allow Indian textiles to flow into the country, and allow French manufacturers to imitate them. In order to protect domestic industry from the influx of superior Indian goods, the monarchy began a program of what might be called industrial espionage, sending agents to India to learn how manufacturers there made such excellent cloth. Soon, dozens of French firms were imitating Indian designs, creating a large domestic industry of Indian-style cotton cloth.

French efforts had some initial success, but even with government help, local manufacturers couldn't quite match the fine weaving, vibrant dyes, and reasonable cost of the best Indian wares. One manufacturer, Cristophe-Philippe Oberkampf, realized that if his products couldn't compete with Indian goods in quality, durability, or price, then he would have to try something different. Beginning in the 1770s, he transformed the production of his cotton textiles using new methods of large-scale factory production and new machines for printing images onto cloth. He also collaborated with government officials and high-profile scientists in the search for new synthetic dyes that would match the bright colors used in India. His modern textile plant at Jouy-en-Josas, a small town outside of Paris, became a key site in Europe's emerging Industrial Revolution.

Even more important than Oberkampf's factory system or scientific advances, however, was his decision to work with the popular French painter Jean-Baptiste Huet to create affordable fashion. When Oberkampf opened his textile business, he had focused on making high-quality imitations of Indian textiles that were good enough to be mistaken for the real thing. While today his products might be condemned as counterfeits or cultural appropriation, happy customers wrote to him saying that their new 'Indian' dress had everyone fooled! In the 1770s, however, Oberkampf adopted a new strategy, printing Huet's distinctly French designs on cheaper cloth.

While Indian textiles were celebrated for their durability, with bright colors that stayed vivid even after repeated washing, Oberkampf was now making cloth that wasn't meant to last. He invented modern fashion marketing, releasing designs in short runs, and changing them every season. While Indian cloth had been a long-term investment, Oberkampf was creating the idea of clothing as temporary trend.

For the first time, middle-class shoppers were encouraged to think of buying clothes not as a long-term investment, but as an ephemeral experience of chic. The modern fashion system, with 'seasons' of changing trends conceived in a Western design studio, was born as France's answer to Indian cloth.

Huet provided Oberkampf with topical designs that referenced political events, scenes from recent novels, or the latest cultural phenomena. One of the most popular designs for Oberkampf's toile de Jouy (named after the town of Jouy-en-Josas) commemorated the first hot-air balloon flight in 1783, while others exploited the fascination with Egypt after Napoleon's invasion of the country in 1798. Textiles printed with such designs were made to become obsolete; no one wanted to be caught wearing a dress made of old news. Oberkampf's marketing strategy, taken to its logical conclusion, fuels the success of "fast fashion" companies like Zara or H&M, which offer access to affordable, trendy clothes that aren't made to stay around.

As he began to convince consumers that following ephemeral trends was more exciting than consuming exotic (and higher-quality) Indian cloth, Oberkampf made an enormous fortune, becoming one of France's most prominent businessmen. The trendy Oberkampf neighborhood in Paris, a textile museum in Jouy-en-Josas, and a continuing vogue for his toile de Jouy all testify to Oberkampf's legacy.

While he never matched his Indian competition in terms of quality of dyeing and weaving, he did cement France's place in the global textile industry, as all of Europe developed a craving for his designs. As the inventor of fast fashion, Oberkampf paved the way for future entrepreneurs to exploit the fashion cycle, creating inexpensive short-lived, trendy garments made to go out of style.

Oberkampf's 18th-century answer to Indian cloth remains a staple of the trend-oriented global fashion industry he helped created. But as India returns to the center of fashion, with new 'Made In India' campaigns and a vibrant design scene, it may not be so easy for European centers to dictate what the trends of the future will be.

Source: qz.com- Nov 05, 2017

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Tamil Nadu plans setting up mini textile parks

Mini textile parks are being planned in Tamil Nadu. For each park, the state will provide 50 per cent of the cost to create roads, a sewage treatment plant and a captive power plant or Rs 2.5 crores as subsidy.

Ten entrepreneurs could form a cluster and set up a mini-textile park on 10 acres after registering a special purpose vehicle. The entrepreneurs should buy the land on their own and establish a minimum of ten work sheds in the park to get the subsidy.

The total investment on buildings and machineries should be more than two times the amount spent for creating such facilities. The textile parks are expected to help improve the standards of living of handloom and power loom weavers in each district.

Entrepreneurs should open a bank account in a nationalised bank in the name of the park. The subsidy will be released in three installments and the entrepreneurs should produce all necessary documents at the time of release of each installment.

The Director of Handloom and Textiles will monitor the progress of the work regularly. Discussions with entrepreneurs have already been initiated. Tamil Nadu accounts for nearly 30 per cent of the country's handloom textiles production and 50 per cent of exports.

Source: fashionatingworld.com- Nov 04, 2017

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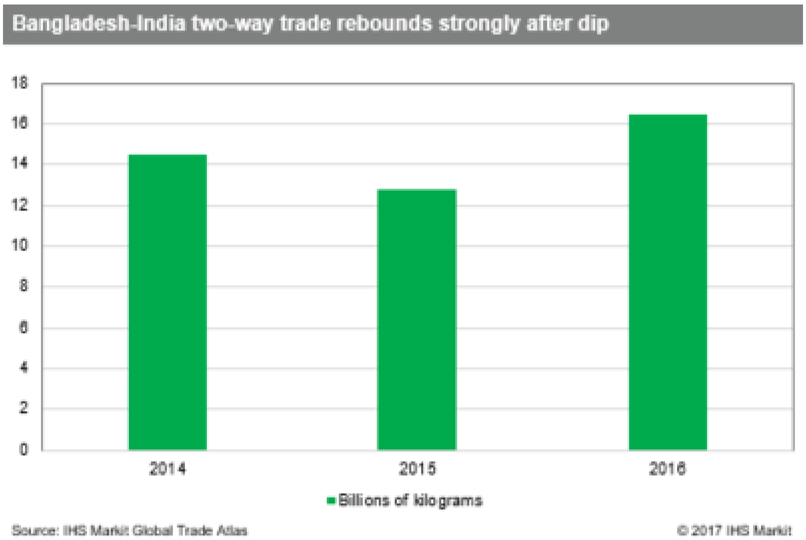
New rail container depot to facilitate India-Bangladesh trade

Bangladesh is building a new inland rail container depot at the Ishwardi rail station, which is the biggest rail junction in the country, to facilitate India-Bangladesh trade.



Bangladesh is India's seventh-largest trading partner by volume, and total trade between the two countries rose 28.9 percent year over year in 2016 to 16.5 billion kilograms, according to the IHS Markit Global Trade Atlas. Two-way trade through July fell 25.8 percent to 7.5 billion kilograms, but India has offered Bangladesh duty-free and quota-free market access.

"The place is very suitable for a depot. The Indian officials said every day some 350 to 450 TEU will reach here," additional director general of Bangladesh Railway Habibur Rahman told JOC.com.

One reason the new site was chosen is the proliferation of economic zones in the southwest of Bangladesh on the border with India that import raw materials for processing before export to India. The goal of the new depot is to facilitate that shipping.

The depot will also have rail connections to the Mongla port, which is expanding to take pressure of Bangladesh's primary and congested gateway at Chittagong.

Rahman said his office is waiting for permission from Bangabandhu Jamuna Multipurpose Bridge to hold a trial run on a container train service between the Bangladeshi capital of Dhaka and the Indian city of Kolkata, which also has its own port.

Strong rail connections with Kolkata could make that port an alternative for shippers that need to move goods to and from parts of Bangladesh.

“The container train service will cut cost and time for carrying goods,” Rahman said.

Bangladesh in 2016 exported $723.5 million in goods to India, a decline of 0.14 percent, and imported $6.4 billion from India, an increase of 7.5 percent, according to the Global Trade Atlas.

Bangladesh mainly exports woven garments, knitwear, home textiles, agri-products, frozen food, leather and leather products, footwear, raw jute, jute goods, and bicycles.

On the other hand, Bangladesh imports cotton, cotton yarn, cotton fabrics, vehicles, nuclear reactor, boilers, machinery and mechanical appliances, cereals, edible vegetables, and iron and steel.

Source: joc.com- Nov 04, 2017

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