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IBTEX No. 248 of 2018 — December 06, 2018

USD 71.04| EUR 80.51 | GBP 90.31 | JPY 0.63

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
20963	43850	**79.38**

Domestic Futures Price (Ex. Gin), November

Rs./Bale	Rs./Candy	USD Cent/lb
21900	45810	**82.93**

International Futures Price

NY ICE USD Cents/lb (Dec 2018)	81.15
ZCE Cotton: Yuan/MT (Jan 2019)	14,620
ZCE Cotton: USD Cents/lb	**81.89**
Cotlook A Index – Physical	**85.55**

Cotton Guide: COTTON FUTURES DAILY PRICE LIMIT EXPANDS TO 4 CENTS PER POUND: Effective with the start of trading for Thursday, December 6, 2018, the Daily Trading Limit for all Cotton No. 2 futures contract delivery months will expand to 4 cents per pound (400 points) above and below the prior day Settlement Price. The text of Cotton No. 2 Rule 10.09 can be found at: Link

Cotton market was up on Wednesday in the US despite most other markets were closed. The March contract settled at 8115 cents up 134 points from the previous close. This is the highest settlement since October 22nd (8145). The other months settled from 33 to 134 points higher. The trading volume was 19,654 contracts while cleared yesterday were 23,342 contracts. March open interests were at 133,390 contracts, down 1,407 contracts previous day. It was up 1,370 contracts after Monday's rally, so it looks like Monday's new contracts might have been liquidated on Tuesday. Maybe Wednesday's rally increased open interest again. March first notice day is February 22nd, leaving 52 sessions until then.

Technically, the bulls got the daily honors as they pushed prices to near the top of the 12-week trading range of 7650 to 8200. Much of the daily modern work is now 'up,' which isn't particularly helpful when the trend is sideways. Short term traders could trade the range, using the 8150-to-8200 area to gauge entry and risk/reward for possible selling. Longer term traders should be alert for resolution of the trading range, which could produce a decent move. Support is 8000+/–, 7900+/–, 7700 and 7650.

On the domestic front there has been slight improvement in the futures contract. The active December future on Wednesday traded at Rs. 21970 per bale. However, the chart structure suggests market might remain advanced and recommend buying on lower level. The trading range for the day would be Rs. 21900 to Rs. 22100 per bale. On the spot front the Shankar-6 variety traded at Rs. 44500 per candy slightly lower than the previous day but has been ranging between Rs. 44300 to Rs. 44800 per candy for the past 15 days or so. On the supply front estimate of arrivals is around 162,500 lint equivalent bales (170 kgs), including 41,000 in Gujarat, 40,000 in Maharashtra and 25,500 in the Northern Zone. A state election in Rajasthan on December 7 is likely to interrupt deliveries until Monday.

Note the spot price in India is around Rs. 44400 -44500 per candy ex-gin whereas the December future is trading at Rs. 21970 per bale (Rs. 45920 per candy). There is a difference of Rs. 1500 per candy between spot and near month future. This imply that going forward the Cotton price might remain higher hence one should start procuring physical cotton at the prevailing price to meet its requirement and the same can be hedged by selling the future contract at higher level.

FX Guide:

Indian rupee has opened 0.5% lower to trade near 70.82 levels against the US dollar. Rupee is pressurized by weaker risk sentiment amid uncertainty about US-China trade deal. Asian equity markets trade lower while DJIA futures are down over 300 points. Risk sentiment has weakened also amid signs of inversion of US yield curve as 3-year bond yield has moved to a premium to 5-year bond yield for the first time since 2007. Also weighing on rupee is uncertainty about outcome of OPEC meeting on crude oil price. Brent crude is range bound near $61 per barrel as OPEC and allies have largely agreed on production cuts but lack consensus over quantum of the same. Domestic market players were also disappointed by RBI's decision to maintain 'calibrated tightening' policy stance despite lower inflation. RBI kept interest rate unchanged yesterday at 6.5% in line with expectations and also lowered inflation outlook amid lower crude oil price but maintained its 'calibrated tightening' stance keeping room open for future rate hikes. Rupee may remain under pressure on weakness in equity market and uncertainty ahead of OPEC meeting. USDINR may trade in a range of 70.5-71 and bias may be on the upside.

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

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INTERNATIONAL NEWS

` US-China trade war fuels demand for Bangladesh denim

US China trade war fuels demand for Bangladesh denim 001Statistics from the Directorate-General of the European Commission Eurostat reveal Bangladesh denim exports to the EU, during January-August 2018, increased 4.23 per cent to reach €917.14 million compared to the same period last year. The country's denim manufacturers saw a healthy rise in exports to the US and European Union (EU) markets, beating China as the world's second largest economy posted only a moderate growth.

As per the US Office of Textiles and Apparel (OTEXA), the country witnessed a 14.20 per cent rise in export earnings from January to September 2018. China on the other hand earned 1.3 per cent totaling up to $683 million in export earnings, while Mexico saw a 1.08 per cent increase from 2017 to $595.40 million. Vietnam earned 41.95 per cent more i.e. $205.43 million from $144.72 million in 2017. While the exports of Cambodia increased to 30.85 per cent to $88.34 million.

Rise in Bangladesh exports to EU

As per Eurostat Bangladesh earned 4.23 per cent higher revenue from exporting denim to EU countries betweenUS China trade war fuels demand for Bangladesh denim 002 January to August 2018 compared to the corresponding period last year. Turkey recorded an 11 per cent deficit in earning to €687.28 million from €772.93 million in 2017. Pakistan saw a 4.83 per cent rise to €500.56 million, while China's exports declined by 14.30 per cent to €304.79 million.

Improved technology, safety standards drive growth

Many factors have worked in favour of Bangladesh such as: improved technology in fabrics manufacturing; better safety standards in the apparel sector; and the ongoing trade war between China and the US. The Alliance for Bangladesh Workers, a platform of American buyers certified Bangladesh as a safe place, which boosted buyers' confidence for sourcing products from the country.

In recent times, production costs in China and other countries have gone up due to an increase in wages. EU manufacturers are moving to Bangladesh for sourcing denim products. On the other hand, Bangladesh has increased its production capacity in both denim fabrics manufacturing and other denim products. Bangladeshi manufacturers have also moved to introduce latest technologies for improved quality of products.

Bangladesh has established state of the art denim fabrics manufacturing plants with increased production capacity. This attracted more work orders from buyers in the US and EU, as a result, manufacturers can supply orders within much shorter time compared to earlier.

Trade war boosts export earnings

The US is the single largest importer of clothing and China is the largest exporter of apparel goods in the world. The trade war between these two giants has brought in more orders for Bangladeshi manufacturers. As the trade war is a threat for the US importers over duty imposition, Bangladesh is benefitting the most from this conflict.

Source: fashionatingworld.com- Dec 05, 2018

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Vietnam, Republic of Korea strengthen trade, investment cooperation

Considerable developments in politics, economy, labour and socio-culture have been recorded in the Vietnam-the Republic of Korea (RoK) relations thanks to joint efforts made by the two countries since they set up diplomatic ties in 1992.

They have deepened the strategic cooperative partnership based on similarities in culture and history, as well as complementary economies since 2009, according to the Ministry of Industry and Trade.

The RoK is currently the third largest trade partner of Vietnam (just following China and the EU), the fourth largest importer and the second exporter of the Southeast Asian country. Two-way trade has rocketed right after the Vietnam-RoK free trade agreement takes effect from the end of 2015.

To be more specific, trade turnover surged 123 times, from 0.5 billion USD in 1992 to 61.5 billion USD in 2017. In the first 10 months of this year, two-way trade hit 54.2 billion USD, up 7.6 percent year on year. Of which, Vietnam exported 15.2 billion USD worth of products to the RoK, and splashed out 39.2 billion USD on imports from the later, rising 25.3 percent and 2 percent, respectively.

Vietnam has exported more processed products with high added value to the East Asian country, including engineering, electronic and elecommunication products, and processed food.

Made-in-Vietnam goods have gained foothold in the Korean market, including garment and textiles. Vietnam is now the second largest supplier of clothing for the RoK, accounting for 32.67 percent of the market share, behind China (34.46 percent). However, experts said that Vietnam will surpass China to become the leading provider soon.

According to Tran Hong Quang, Director of the National Centre for Socio-economic Information and Forecast, last year, the RoK ranked second among 115 countries and territories investing in Vietnam with total registered capital of 8.49 billion USD, behind Japan who registered 9.11 billion USD.
As of August 2018, it became the largest investor in Vietnam by landing 61.08 billion USD in the country while Japan fell to the second place with total investment worth 55.84 billion USD.

Meanwhile, Professor Park Bun-soon from Sejong University said that Vietnam is a favourite destination of Korean FDI. A number of RoK firms have poured their capital into garment and footwear sectors to take advantage of the abundant supply of human resources there. In recent years, Korean giants like Sam Sung, LG, Hyosung, Lotte and CJ have expanded their operation in Vietnam. Particularly, Samsung’s exports accounted for 20 percent of Vietnam’s total shipments.

As for the RoK Government, Vietnam is an important partner in ASEAN in its New Southern Policy, he stressed, saying that trade value with Vietnam makes up more than 40 percent of the total trade with other countries in the bloc.

Source: en.vietnamplus.vn- Dec 05, 2018

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Pakistan: Govt evolving export-oriented policies: Secretary Textile

Federal Secretary Textile Division Syed Iftikhar Hussain Babar Wednesday said that the government was evolving export-oriented policies to ensure surge in exports. He added the government believed that an economic revolution could only be possible through trade promotion and all possible support to the export sector was being extended to achieve optimum growth.

Addressing members of the Pakistan Textile Exporters Association (PTEA) here on Wednesday, he said the government was committed to provide all possible facilities to the textile sector as it was playing a major role in bringing about economic stability and no country could achieve economic targets without the due role of exporters.

He said that energy tariffs for export industries were being subsidized to secure their competitive edge in the international market.
He said the textile division was working to reduce the regulatory duties on inputs to cut down the production cost of export goods.

He was of the view that all resources were being used to convert the country according to the premier's vision of economically stable and strong Pakistan.

Considering the textile industry as the backbone of economy, the secretary said that remedial measures to overcome the challenges were being taken to uplift the sector.

Responding to a question, he said the textile division was making efforts for import of fine quality cotton seed to produce more quantity of fine cotton.

Earlier, Chairman Pakistan Textile Exporters Association Khurram Mukhtar addressed the meeting and said that huge amounts of textile exporters were stuck up in refund regime. Payment of outstanding refunds would enhance the confidence level of exporters. He also requested for immediate withdrawal of custom duty on cotton import and reconsideration of custom and regulatory duties on other raw materials.

Source: brecorder.com- Dec 05, 2018

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Pakistan govt. permits cotton imports from Afghanistan

Pakistani cabinet's Economic Coordination Committee (ECC) on 22 Nov 2018 allowed import of cotton from Afghanistan and central Asian countries through the land route to meet its shortfall in the key textile industry.

The ECC took the decision in line with a proposal submitted by the Ministry of Commerce and Textile during a meeting presided over by the Finance Minister Asad Umar.

The finance ministry said in a statement, "ECC also directed the relevant ministries to engage with the industry for the establishment of a permanent quarantine facility for cotton import through the land route."

Pakistan is a net cotton importer with the textile industry consuming 12 to 15 million bales per year. The country imports cotton from various sources. Afghanistan and central Asian states are producers and exporters of cotton and they have a reasonable share in Pakistan's import mix as imports from these countries are cheap due to land route compared to the United States and other destinations.

Pakistani cotton is of short to medium staple length and therefore extra-long staple cotton has to be imported for production of finer yarn counts.

The commerce ministry said, "The cotton is a sensitive crop and attracts a variety of pests. For the majority of cotton, Afghanistan is only a transit route and for that purpose pest scouting of central Asian states would also be required otherwise it would be the great threat of new pests harming domestic cotton."

Source: textiletoday.com.bd- Dec 05, 2018

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IRANTEX textile exhibition underway in Iran capital

The Exhibition of Textile Machinery, Raw Materials, Home Textile, Embroidery & Textile Products (IRANTEX 2018) is being held in the Tehran International Permanent Fairground with the participation of European and Asian companies, IRNA reports.

The representatives of foreign textile machinery manufacturing companies expressed readiness to continue cooperation with Iran and transfer technology to this country.

We have good relations with Iran and seek to expand our collaborations, said Pony Ma Chunguang, the sales manager of the Chinese Yuejian Intelligence which has been engaged in the Iranian market for seven years, in an interview with the Islamic Republic News Agency (IRNA).

He said that despite the financial difficulties made by US sanctions, Chinese manufacturers are highly willing to stay active in Iran.

Erkan Yilmaz, the representative of one of the Turkish participants of the exhibition Asteks, told IRNA reporter that the company holds 14 years of collaboration with Iran and is ready to transfer technology to the country.

'Europe does not support the sanctions imposed by the US and we never miss Iran's market,' said the regional sales manager of the Belgium-based machinery production Picanol, Vincent Geldhof.

Head of one of the Italian participants of the exhibition Laip said that although energy costs in Iran are very low, but transferring the machinery technology to Iran needs financial transactions, which is damaged due to US sanctions.

Massimo Bacheri stressed that his company seeks to continue collaboration with Iran because this benefits both sides.

The 24th edition of Irantex exhibition was underway on December 2-5 in the International Permanent Fairground in the Iranian capital of Tehran.

Source: en.trend.az- Dec 05, 2018

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Graphene Continues to Make Smart Textiles Even Smarter

Finding the correct platform and materials to create truly smart textiles has been the subject of much interest and research in recent years. Now the quest has taken a key step with a new technique using graphene.

An international team of scientists, led by Professor Monica Craciun from the University of Exeter Engineering department, has developed a way to create electronic fibers that can be incorporated into the production of everyday clothing.

Wearable electronics have so far typically been created by gluing devices to fabrics, but that often makes the fabrics rigid and malfunctioning likely.

However, the new development integrates the electronic devices into the material by coating electronic fibers with lightweight, durable components to allow images to be shown directly on the fabric. Graphene is considered the thinnest substance capable of conducting electricity, the team noted, and is highly flexible, offering key qualities for apparel.

“For truly wearable electronic devices to be achieved, it is vital that the components are able to be incorporated within the material, and not simply added to it,” Craciun, co-author of the research said.

The new technique employs polypropylene fibers that are common in a range of commercial applications in the textile industry to attach the new, graphene-based electronic fibers to create touch-sensor and light-emitting devices.
“This new research opens up the gateway for smart textiles to play a pivotal role in so many fields in the not-too-distant future,” said Dr. Elias Torres Alonso, research scientist at Graphenea and a former doctorate student in Craciun’s team at Exeter. “By weaving the graphene fibers into the fabric, we have created a new technique for the full integration of electronics into textiles.”

Professor Saverio Russo, also a co-author, from the University of Exeter Physics Department, added, “The incorporation of electronic devices on fabrics is something that scientists have tried to produce for a number of years and is a truly game-changing advancement for modern technology.”

The discovery, according to the research team, could be a milestone for wearable electronic devices as it allows them to be used in a range of everyday applications, as well as for health monitoring.

The development comes as graphene has started making its way into textile and footwear products.

Last year, Directa Plus, a producer and supplier of graphene-based products for use in consumer and industrial markets, entered into an exclusive collaboration agreement with Arvind Ltd., one of India's leading textile manufacturers, to infuse the high-performance benefits of Directa Plus' G+ graphene-based products into its denim fabrics. Directa Plus said its graphene-based products can be used to alter or enhance the properties of conventional denim fabrics and to make smart clothing for different end uses and environments.

British brand Inov-8 teamed up with scientific experts at the University of Manchester to use graphene in the makeup of running sneakers. The company chose to incorporate graphene in its footwear, as lab tests have shown that the rubber outsoles of shoes with graphene add more stretch and durability.

Source: sourcingjournal.com- Dec 05, 2018

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Kenya seeks to tap into China's industrial technology to boost exports

Kenya's business community is seeking to tap into China's industrial technology in order to boost its exports, officials said on Wednesday.

James Mureu, national vice chairman of Kenya National Chamber of Commerce and Industry (KNCCI), told a business forum in Nairobi that local manufacturers are facing stiff competition from foreign industrialists leading to a stagnation of the sector.

"We are therefore keen for joint ventures with Chinese firms so that Kenya can benefit from advanced manufacturing technology that will make the country a major exporter of products," Mureu said during the first edition of the China Home Life Kenya Exhibition and Business to Business Forum.

Over 600 Chinese suppliers of home products such as consumer electronics, furniture, textile garments, lights and lamps from eight Chinese provinces in China are showcasing their products for three days.

The KNCCI has already signed memorandum of understandings with four provincial chambers of commerce in China in order to boost bilateral commercial ties.

Oliver Konje, director of bilateral trade at the Ministry of Industry, Trade and Cooperatives said that the Chinese fair provides a very good platform for Kenyan buyers to network with Chinese suppliers.

"The interaction may culminate in joint ventures, which are significant in expansion of trade and investment," Kiptoo said.

He revealed that Kenya's main exports to China were titanium ores, niobium, tantalum, tea, plastic waste, leather, sheep, lamb skin and other oil seeds while top imports from China included telephone sets, non-electric rail locomotives, cars and automatic data processing machines.

The government official said that trade plays a significant role in both countries' growth and development through its linkages with all sectors of the economy.

Konje said that Kenya welcomes increased Chinese investments especially in manufacturing and value addition.

"This will help bridge the wide trade deficit between the two countries and support the government's big four agenda," he added.

He observed that Kenya is working tirelessly on improving the investment environment in order to reduce the cost of doing business in the country.

Li Xuhang, Charge d'Affaires of Chinese Embassy in Kenya said that the China Home Life Kenya Exhibition is not only a platform to promote the development of bilateral trade but also a bridge for communication and cooperation.

According to the envoy, the exhibitors are from the major economic and trade provinces in China that have their own characteristics in industrial development, which are highly complementary to Kenya.

"We hope that on this fair, participants will have in-depth and extensive exchanges, establish contacts and lay a foundation for future cooperation. At the same time, apart from commodity trade, we hope that participants from both sides pay more attention to industrial investment cooperation," he added.

He noted that the Chinese government encourages Chinese enterprises to invest in Kenya, adding that as a gateway to East Africa, Kenya's significant geographical advantages, stable political status, solid economic foundation and relatively superior business environment make it an attractive destination for Chinese investment.

Source: Li Xia. Xinhua- Dec 05, 2018

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NATIONAL NEWS

Cotton exports likely to cross 65 lakh bales

Purchases made by the Cotton Corporation of India remain tepid on weak arrivals.

The country has exported close to 10 lakh bales of cotton so far to Bangladesh, Vietnam and Indonesia this kharif season, according to industry experts.

The total exports are likely to touch 65 lakh bales even as cotton purchases made by the Cotton Corporation of India remain tepid on weak arrivals. The cotton prices are hovering around minimum support prices (MSP) of Rs 5,150 per quintal for medium staple variety and `5,450 per quintal for long staple variety. The MSP for this season is Rs 1,130 per quintal higher as compared to last year.

In the international cotton market, cotton prices have dropped from 84 to 79 cents on New York futures in last 15 days. The candy rates (356 kg) for the commodity have come down to `44,000 from `47,500. However, the prices of the commodity in Maharashtra, Telangana, Madhya Pradesh are stable on poor arrivals.

According to the ginning community, the sentiment has been weak from October this year from the start of the season and the situation is likely to continue till mid-January.

So far this season, the total arrival in India has been to the tune of 65 lakh bales against 70 lakh bales during the corresponding period last year.

Though the Cotton Advisory Board has pegged this year's crop at 361 lakh bales, down 2.4% on year, most stakeholders believe the number could be much lower, and prices would start rising once arrivals from the first picking are completed by the end of December.

Mills also have been stocking up on cotton, anticipating a fall in supply in the not too distant future.

Because of the low arrivals, more than 70% of the ginning units in Khandesh in Maharashtra are yet to commence operations.

According to Pradeep Jain, founder president, Khandesh Gin/Press Owners Association, the ginning industry continues to face shortage on weak arrivals. The daily requirement is around 4 lakh bales and barely 2 lakh bales are available on a daily basis.

First pickings in Maharashtra, Madhya Pradesh, Gujarat and Telangana are in the final stages. Jain added that ginners are facing problems because there is no parity and there are payments issues in addition to fears about quality of cotton from next month. Khandesh has some 150 ginning units. Jain expects prices to pick up after December when arrivals peak.

Jain felt that the quality parameters set by CCI could also bring down prices once arrivals peak. As per CCI FAQ parameters, cotton with more than 12% moisture is not eligible for purchase.

In the north, there have been reports of farmers selling to commission agents because they do not wish to spoil their relationship with them. Farmers started to sell cotton as they had no expectation of a further rise.

Cotton Association of India has pegged the country's production in 2018-19 at 348 lakh bales (one bale= 170 kg), down nearly 5% from a year ago.

The US agriculture department has also lowered its estimate for India's ending stock of cotton for the current season to 89.8 lakh bales (One bale= 218 kg) from 118.8 lakh bales projected in September.

Source: financialexpress.com- Dec 06, 2018

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Dr. KV Srinivasan elected chairman of TEXPROCIL

Dr. KV Srinivasan, managing director of Sree Narasimha Textiles Pvt Ltd, Premier Mills Pvt Ltd and Premier Fine Linens Pvt Ltd, has been elected as chairman of The Cotton Textile Export Promotion Council (TEXPROCIL) for the years 2018–2020. Srinivasan is also trustee of Kasthuri Sreenivasan Trust, Coimbatore Golf Club Trust and PSG & Sons Charity Trust.

He is currently the vice president of International Textile Manufacturers Federation (ITMF), Zurich, and chairman of the South Indian Textile Research Association (SITRA), Coimbatore.

Earlier, he was chairman of the Southern India Mills Association (SIMA), Coimbatore from 2007 to 2009, and also chairman of CII-Coimbatore Zone for 2015–16.

After earning his B Tech in Textile Technology from PSG College of Technology in 1983, Srinivasan obtained an MSc degree in Textile Technology in December 1984 from the University of Manchester. Subsequently, he earned his Doctorate from the University of Manchester in December 1986.

He has been a Committee member of TEXPROCIL since 1998 and had held the position of chairman of the TEXPROCIL Yarn Committee from 2007 to 2009.

He was also the member of the Young Entrepreneurs Group of the ITMF from 2000 to 2003. (RKS)

Source: fibre2fashion.com- Dec 05, 2018

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Two state jute mills to be made textile units

The government has decided to convert two state-run jute mills into textile factories under public private partnership.

The cabinet committee on economic affairs yesterday in a meeting approved the proposal of the textiles and jute ministry.

Ahmed Bawani Jute Mills in Demra and Kaderia Jute Mills in Tongi will be developed under the PPP initiative, said Nasima Begum, additional secretary to the cabinet division, after the meeting.

She said the committee has given the final approval to the PPP contract document.

Private sector operators will run the mills under design-build-operate-maintain-transfer method for 30 years. The mill in Demra has been awarded to a consortium of Tanzia Fashions Ltd, which will pay a contract fee of Tk 2.5 crore annually.

The mill in Tongi has been given to a consortium of Orion Ltd, which will give the government Tk 5.20 crore annually as contract fee.

The cabinet committee also approved a proposal for signing a contract with Belgium-based JAN-DNUAL for dredging of the Payra port. It will be implemented through a PPP initiative.

After the economic affairs committee meeting, another meeting of the cabinet committee on purchase was held where 22 proposals were approved. After the meeting, Finance Minister AMA Muhith told reporters that there would be no meeting of the committees before the next national elections, scheduled to be held on December 30.

Muhith said if there was any emergency proposal for purchases, the ministry concerned would send it to him and it would be okayed later on getting the prime minister's approval.

The purchase committee also approved a proposal for the import of 7 lakh tonnes of fertilisers.

Of the amount, Singapore-based M/S Wilsons Trading Private Ltd will supply 25,000 tonnes of urea at a rate of $379.87 per tonne while another 25,000 tonnes will be supplied by Abu Dhabi-based Zen Trade at a rate of $378.70 per tonne.

Proton Traders Ltd will supply 25,000 tonnes of urea at $362.21 per tonne and another 25,000 tonnes at $361.91 per tonne.

One lakh tonnes of diammonium phosphate fertiliser will be imported from Morocco at a rate of $545.75 per tonne alongside 2.5 lakh tonnes of triple super phosphate (TSP) fertiliser at a cost of $452.25 per tonne.

Besides, 2.5 lakh tonnes of TSP fertiliser will be imported from Tunisia at $458.25 per tonne.

The committee approved a proposal making Saif Powertech Ltd a terminal operator for container and cargo handing in the Chittagong port for six years. The port authority would give it Tk 310.30 crore.

The committee also approved the Bangladesh University of Engineering and Technology (Buet) into becoming a consultant for preparing a detailed master plan of Payra sea port at a cost of Tk 124 crore. The university will carry out the task with the assistance of Royal Tuscany of Netherlands.

The committee gave a nod to a proposal to buy 40 diesel locomotives for Bangladesh Railway. M/S Progress Rail of the USA will supply the locomotives at a cost of Tk 1,123 crore.

Besides, the committee approved a proposal for increasing the contract value for Larsen & Toubro to set up a rail line from Khulna to Mongla port with Indian finance.

Initially the contract value was Tk 1,076.44 crore. Now it has been increased to Tk 1,367.66 crore.

Source: thedailystar.net- Dec 06, 2018

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India and EU must work towards a free trade pact'

India and the European Union does not have a free trade pact, but that hasn't stopped one of its member nations from going all out to facilitate trade with India.

Kristian Vanderwaeren, Director-general Administration Customs & Excise, Federal Ministry of Finance for Customs and Excise, Belgium, was in Mumbai on Tuesday to address a workshop on cold chain logistics organised by the Port of Antwerp, underlining the importance Belgium attaches to the smooth flow of trade between the two nations. This the excerpts from the conversation.

Are you pitching for a free trade pact between India and EU?

I regret that until now there is no free trade agreement between the EU and India. And, in a world which is uncertain, with a lot of tension, and given the historical relationship what we as Europe and Great Britain have with India, I found it rather strange why we don't have a free-trade agreement. So, I've been talking to people here and I think it is important that we bring over the message to our politicians that they really should make an effort on a European and Indian level to get to a free-trade agreement. Free trade agreement is important because it creates the framework for a better cooperation.

There is a third reason why I came here. Given the fact there is no free trade agreement, how can we foster and ameliorate cooperation between our countries.

And there, we are looking at India and the Port of Antwerp, how can we foster cooperation between Customs and trade. How we can promote smooth exchange of goods with lesser number of inspections taking place. We already offer a lot of facilitation for export into Antwerp. I would like to look and see companies exporting from here to Belgium and companies exporting from Belgium to India, how together with the Indian Customs we can exchange best practices and move forward together. For that reason, I had discussions with the New Delhi headquarters of the Customs and they were willing to start a discussion and dialogue .

What other areas of cooperation are you looking at with Indian Customs and trade?

Another area where we cooperate with the Indian Customs is the IT platform. Indian Customs is pushing very hard on digitalisation and is investing a lot in scanning infrastructure. There, we are looking to set up a cooperation for exchange of best practices between the Customs authorities of the two countries.

In Europe, free trade or negotiations on free trade are done on a European level, the regulations are European, however the implementation and inspections are done on a national level.

Belgium is trying to proactively come out to help understand the problems Indian exporters are facing, to try and see how best you can resolve them without bending the law. This shows our willingness to facilitate compliant trade to help and to be open and transparent.

How will Brexit impact trade between India and Europe?

Brexit is going to have a huge impact. Now, Britain is part of the Customs Union. There are no Customs formalities for goods coming/going between the United Kingdom and Belgium on the Continent.

Source: thehindubusinessline.com- Dec 05, 2018

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Four-day textile fair begins at Texvalley

Buyer-seller meet expected to generate over ₹800 crore revenue

To facilitate the partnership between Indian and foreign buyers with manufacturers and traders, a four-day premier textile fair ‘Weaves’, with the theme “Global Connect for Weaving” was inaugurated at Texvalley here on Wednesday.

Organised jointly by the Confederation of India Industry (CII) and Texvalley, an integrated textile market, over 250 exhibitors representing the textile industry ranging from fabrics to weaving machines are taking part in the fair.

Apart from this, buyer-seller meet is expected to attract about 1,000 business people to generate revenue of over ₹800 crore.

Speaking at the inauguration, A. Sakthivel, Vice-Chairman, Apparel Export Promotion Council and Regional Chairman, Federation of Indian Export Organisations, said that the State accounts for 60% of yarn and fabric exports while it accounts for 85% of knitwear exports.

He said that after 35 years, export from Tirupur has shown minus 15% and the industry is doing everything to come back. The textile industry in the State provides 40 lakh jobs of which 60% of the work force are women. “Reports were submitted to the Ministry of Textiles. If they don’t do it, knitwear exports may go out of India,” he cautioned. He wanted the Central and State governments to absorb the project cost that were implemented by the private parties.

C. Devarajan, Past Chairman, CII Erode Zone and Vice Chairman, Erode Textile Mall Private Limited said that that the situation in fabric manufacturing is not so encouraging as weaving units are large in numbers, but small in size as they were not able to promote and succeed. Hence, the fair will bring holistic improvement to the textile industry as a whole and to the fabric segment.

He said that the value of fabric sector is ₹35,000 crore per annum which can very well touch ₹1 lakh crore by 2025 with careful value-addition and technology upgradation. He called upon the traders and others to accommodate the change in the industry by aligning with growth partners, learning and attaining right knowledge and improving their visibility.
Sanjay Jayavarthanavelu, Deputy Chairman, CII Southern Region and Chairman and Managing Director, Lakshmi Machine Works Limited said that fashion keeps changing every two weeks and called upon the textile industry to respond quickly to the changes.

B. Krishnaraj Vanavarayar, Chairman of Bharatiya Vidya Bhavan and past Chairman, CII, said that successful entrepreneurs never gave excuses as they relied on their strength and succeeded. He said that the textile industry contributes to the country’s economy immensely and wanted political will to take decisions, which are essential.

M. Duraisamy, Immediate Past Chairman, Powerloom Development and Export Promotion Council, Nahid Rashid, Counsellor (Commercial), Bangladesh High Commission, V. Krishnamoorthy, Deputy High Commissioner, Sri Lanka, and D.P. Kumar, Executive Director, Erode Textile Mall Private Limited also spoke. P. Periyasamy, Chairman, Texvalley, buyers and sellers were present. A coffee table book titled "Titans of Textiles" featuring 28 successful entrepreneurs in the textile sector was also released on the occasion.

Source: thehindu.com- Dec 06, 2018

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Call to join hands to succeed in global market

Textile firms in India and Bangladesh should collaborate by exchanging products and technical know-how, and strengthen their position in the global market, said Nahid Rashid, counsellor with the Bangladesh high commission. She was speaking at the inauguration of 'Weaves', a textile fair organised at Texvalley, in Erode, on Wednesday. www.citiindia.com

Deputy high commissioner of Sri Lanka for Southern India V Krishnamoorthy agreed with her. "In the globalized era, countries are required to cooperate, instead of competing with each other, as they are all interdependent of each other for goods and services in every imaginable sector and economic activity. For globalization to succeed, countries must engage in trade relations with the right spirit and right partners," he said.
"The textile sector provides upto 600 million jobs worldwide. There is a huge scope for a symbiotic relationship between Sri Lankan garment and apparel manufacturers and the Indian yarn and fabric suppliers," Krishnamoorthy added.

Vice-chairman of the Apparel Export Promotion Council (AEPC) A Sakthivel said that Tamil Nadu accounts for 60% of exports of yarn and fabrics, and 85% of knitwear. "Together, they provide about 40lakh direct jobs. However, the industry expects the government to create a level-playing field for it to compete in the global market effectively. The textile sector is going to stay in Tamil Nadu, where there is availability of raw materials, local demand, skilled people, tradition, culture and the spirit of innovation."

The fair has attracted about 250 exhibitors from countries like Sri Lanka, Bangladesh, and Myanmar and other parts of India, representing a wide range of the textile industry – from fabrics to weaving machines.

Source: Times of India- Dec 05, 2018

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