एक कदम स्वच्छता की ओर

TEXTILE INTELLIGENCE CENTRE

IBTEX

INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY

ISO 9001:2015

TÜVRheinland CERTIFIED

www.tuv.com ID 9105079408

The Cotton Textiles Export Promotion Council (TEXPROCIL)

Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA

W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 5 of 2019 January 07, 2019

USD 69.34| EUR 79.20 | GBP 88.41 | JPY 0.64

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20718	43300	**79.47**
Domestic Futures Price (Ex. Warehouse Rajkot), January		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21070	44036	**80.82**
International Futures Price		
NY ICE USD Cents/lb (March 2019)	72.52	
ZCE Cotton: Yuan/MT (May 2019)	14,920	
ZCE Cotton: USD Cents/lb	**98.52**	
Cotlook A Index – Physical	**79.70**	

Cotton Guide: Last week prices was towards the bearish direction with a slide towards positive figures during the ending sessions on Friday. The trend was considered to be weak. The market was in motion following cues from the other asset classes. ICE March traded in the range of 70.84 and 73.37 cents/lb.

All the ICE contracts ended in positive numbers on Friday. The Highest Gain was seen in the ICE March Contract with figures of +169 therefore settling at 72.52 cents/lb. ICE May contract settled with +167 at 73.94 cents/lb whereas ICE July settled at 75.29 cents/lb with a positive figure of +164. All the other ICE contracts also ended with ended with positive changes in a triple digit pattern.

MCX January settled with a figure of 21070 with a change of +40, whereas February, March and April Figures ended with positive figures at 21310, 21570, 21800 Rs/Bale with changes of +40, +30, +70 respectively.

Cotlook Index A has been adjusted to 79.70 i.e. a change of +0.05. Arrival Figures in India have still not breached 200,000 lint equivalent bales. The daily arrival figures are around 150,000 lint equivalent Bales. The total arrival figures till date are estimated at around 11 million bales. For today we expect Shankar 6 to trade in the range of 43,000 Rs to 43,500 Rs/candy.

The recent spike seen in cotton prices on Friday evening was due to optimism on positive trade talk hopes between Washington and Beijing and the other reason was rally in Equities due to positive US Jobs reports, thus giving a boost to crude oil prices. There is also news in the market that a production cut of crude is in process and had started at the end of the year by some OPEC countries.

While I am writing this report at 7:45 am the WTI Futures are trading at 48.63 USD/Barrel and cotton is trading at 72.78 cents/lb. Sometimes fundamentals are not needed for a commodity price to move in either side by 2 to 3 percent. The other factors do play a key role. We expect prices to be volatile for a couple of days due to US-China trade talks scheduled for today and tomorrow. Nonetheless, we have a bias towards the positive end.

Due to the US Government shutdown the following reports will be unavailable - export sales reports, cotton on-call reports, commitments-of-traders, crop production and the much awaited WASDE report. The delay in reports means no surety of demand and supply numbers and speculation would make the market volatile.

On the technical front ICE cotton prices made a bullish pattern (Morning star) accompanied with the RSI above 30 suggest a short term pullback in the price. Sustainable trades below 70.50 will only resume the downtrend while the immediate resistance is at around 74.50.

From the above we expect prices to trade in the range of 71.50-74.60 with sideways to positive bias. Call and views: Buy MCX January cotton at 20900 target price 21250 Stop loss 20750. Buy February Cotton neat Rs 20800 to 21000 for a target price of 21700/22000 stop loss at 21400. Or consider February recommendation as hedge Call for mills.

Currency Guide

Indian rupee may witness choppy trade amid mixed factors but general bias may be on the upside. Rupee may benefit from firmness in global equity market post better than expected US non-farm payrolls data, Fed's commitment to be patient on interest rate hikes and China's move to cut reserve requirement ratio to support economy. Fed Chairman Jerome Powell on Friday signaled the central bank could pause interest-rate increases if the US economy weakens.

Fed's dovish stance will keep pressure on US bond yields and is negative for US dollar. However, weighing on rupee is sharp rebound in crude oil price. Brent crude trades higher near $58 per barrel after a 7.2% rally last week. Decline in OPEC production and upbeat US jobs report has lent support to crude oil price. USDINR may trade in a range of 69.25-69.75 and bias may be on the downside.

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

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	USA: High Plains a leader in growing organic cotton industry
2	Nigerian textile units target massive fabric production
3	Sri Lanka: Exporters hail Govt.'s commitment to bolster trade
4	Taking Advantage of ASEAN's FTAs
5	Bangladesh: Apparel shipment to Europe quicker now
6	Bangladesh textile sector saw investment of Tk6,900 crore in last five years
7	Pakistan: Trading on cotton market remains dull

NATIONAL NEWS	
1	Interest equalisation for merchants to benefit 40% of textile exporters
2	TEXPROCIL to organize Reverse Buyer Seller Meet to boost Textile and Clothing sector
3	Vice President Naidu urges textile industry to develop culture of innovation
4	Bilateral dynamics: India needs a new global trading partner; here's why
5	ICICI Bank and SBFC to jointly finance credit to MSMEs

INTERNATIONAL NEWS

USA: High Plains a leader in growing organic cotton industry

As society grows more concerned with what is on a label, organic cotton has steadily grown in popularity.

Conventional cotton has long been a staple of Texas agriculture, producing roughly 25 percent of the nation's entire crop and generating about $2.2 billion every year. While organic cotton doesn't yet have the market to support millions of acres, about 95 percent of the nation's crop is grown on the High Plains.

"We grow the only organic cotton in the U.S., essentially," said Jimmy Wedel, president of the Texas Organic Cotton Marketing Cooperative. "There's a scattered field or two that people have tried in other states, but this is the easiest place in the U.S. to grow organic cotton without chemicals. It fits here on the High Plains."

Wedel has been growing organic cotton in Muleshoe for over 26 years and helped form TOCMC in 1993. The group now consists of 40 producers who plant 20,000 acres yearly and grow other organic crops as well, such as peanuts and corn. They provide cotton seed to organic dairies for feed. Many of the members, including Wedel, used to grow conventional cotton before switching over.

"I was concerned for the environment and what our pesticides were doing, and I was tired of using a lot of chemicals that sometimes worked and sometimes didn't," Wedel explained.

Growing cotton without the chemicals is the big draw for consumers in the organic market. Organic producers can't use growth regulators or synthetic inputs - just feedlot manure or compost - and few natural bio-pesticides. Organic grows the same as conventional cotton, with the exception of waiting to harvest until about two weeks after the first hard freeze so natural defoliation can occur.

The extra steps and slightly higher prices are worth it to consumers, as they are now behind the growth of the organic market, bringing organic sales up by 6.4 percent to total a record $49.4 billion in 2017. According to Wedel, this is because consumers have started weighing options more carefully.

“Consumers begin to become aware of the environmental benefits of purchasing organic productions,” said Wedel. “There’s more interest in wearing an organic cotton shirt or sleeping on an organic cotton mattress that hasn’t had an abundance of chemicals put on it. You have a choice, so more consumers are choosing to use a product that hasn’t had all these pesticides.”

It’s not just clothing and mattresses either, as bed sheets, cotton rounds, and feminine hygiene products are gaining more attention. Brands such as the Honest Company or L. have taken over the organic market, while there is no mandate to include a label of ingredients for the conventional products and the Environmental Protection Agency maintains that regular products are safe.

However, cotton in the U.S. is typically sprayed with chemicals just prior to harvest and put through more in production including chlorine bleaching before hitting shelves, leaving many off-the-shelf period products with rayon, pesticide residue, and dioxins along with other fragrances and dyes.

The chemicals also run the chance of drifting into other areas and contaminating organic crops, a problem that caused a lot of concern for organic producers.

La Rhea Pepper, a co-founder of TOCMC, has a long history of fighting back against the use of chemicals, as her family was part of enabling legislation on the matter in the late 1980s and she joined a class-action lawsuit against Monsanto.

“Cotton is an amazing, wonderful crop; it’s also fairly chemically intensive during production,” said Pepper, a fifth-generation producer in Lubbock. “Instead of spending money on developing cancer cures, I think we should be spending money on preventing cancer in the first place - Choosing products that reduce your exposure to toxins is really important.”

Pepper was a child when farmers began spraying in the 1960s, and she recalls her grandfather saying they are only stewards of the land and have a responsibility to respect it. That message has stuck with Pepper, who says she will stay organic because it's part of her heritage and legacy.

"My farm was a safe place to live and play; my kids could run and play in the field without concern of being exposed or hugging their dad while he's covered in chemicals," Pepper said. "You don't realize how many of these farming communities are exposed to all these sprays."

While there is a big investment that goes into growing organic cotton that could be causing producers to turn away from the idea, Pepper says she has noticed a reduction in the use of pesticides over the last 20 years.

"Cotton farmers have come a long way, they're not spraying every ten days, but they still have a very long way to go," said Pepper. "Honestly, most of them believe they're doing the right thing.

The university systems are promoting the chemicals as the most productive and efficient system, so they're still trying to do the most cost-effective thing."

Buying organic or conventional cotton products ultimately comes down to the consumer's choice, as they are the ones driving the market, and more brands are deciding to offer products to meet that demand.

"We do all this to protect our crop and the consumers who we serve," said Pepper. "Consumers need to be aware that skin is the largest organ on their body, and it absorbs everything. They have a choice, and their choice matters."

Source: lubbockonline.com - Jan 06, 2019

HOME

****

Nigerian textile units target massive fabric production

The Nigerian Textile Manufacturers Association (NTMA) has set a production target of 1.7-billion metre finished fabric for 2019 and increase its contribution to the country's gross domestic product, according to Hamma Kwajaffa, director general of the association, which wants to capture a market share of up to 70 per cent in finished fabrics.

Idle production lines in existing factories would start operating, Kwajaffa told the News Agency of Nigeria recently.

The government should support infrastructure development, offer fiscal incentives and a regulatory mechanism and help prevent smuggling, he said.

Gas pipelines should be extended to the northern part of the country as mills are concentrated there, he said.

Kwajaffa urged the government to harmonise power tariff for textile mills and offer power to textile manufacturers at a globally competitive tariff of 2 US cents per kilowatt.

He called for market assistance for garment producers to gain access and leverage the US market under the African Growth and Opportunity Act (AGOA) and capacity building for industry operators.

Source: fibre2fashion.com- Jan 06, 2019

HOME

****

Sri Lanka: Exporters hail Govt.'s commitment to bolster trade

Exporters last week hailed the Government's commitment towards encouraging new champions to international trade and facilitation to ensure Sri Lanka reaches its targets by end of this year whilst urging immediate action over some of the concerns.

Addressing the Media Networking Session organised by the Export Development Board (EDB), the National Chamber of Exporters (NCE) Secretary General and CEO Shiham Marikar pointed out that the close relationship built between the Government and the private sector enabled the facilitators to launch and implement key strategies in 2018.

Last year Sri Lanka's merchandise and service exports were estimated to have hit an all-time high of $ 17 billion, up 15% from a year earlier prompting the Government to be confident of achieving the $ 20 billion milestone this year.

Stating it was important to diversify country's export basket and markets, Marikar noted that much emphasis is crucial in grooming new entrepreneurs and exporters.

"When we go for events we see the same exporters; there are no newcomers. With the 2,000 exporters' program we would like to work closely with the EDB in that regard as we do have the experience with the NCE's potential exporters' program," he pointed out.

He also called on the Government to consider further relaxing of the export earning repatriation regulation, noting that many exporters are grappling with many challenges.

"Some of our members that have European buyers for over 10 years are given long credit facilities and Sri Lankan exporters find it difficult in dealing with the prices and competition. Therefore, credit is something they offer to them and an extension in this regard would be helpful. We hope to hear something from the Minister soon," he added.

In addition, he highlighted that the NCE would like to be kept informed on the initiatives taken by the Government on GSP+ particularly on the game plan to mitigate possible negative impacts on Brexit, pointing out that majority of Sri Lanka's exports to the EU go through the United Kingdom.

Marikar also insisted on greater cooperation and assistance to exporters from Sri Lankan trade missions overseas as it has been brought to the NCE's notice that exporters are facing number of issues, including delays acquiring necessary information.

The Exporters Association of Sri Lanka (EASL) Vice Chairman Chrisso de Mel urged the exporting community to continuously improve quality and consistency of the products to build trust and dependability on their brands.

"Change through innovation and competitiveness. Sri Lanka can be trend-setters," he added.

De Mel also noted that launching of National Export Strategy (NES), Trade Information Portal (TSP) last year were all very supportive for exports and for international trade overall.

Both NCE and EASL extended their fullest cooperation to all initiatives the EDB has undertaken and is in the pipeline for 2019 and beyond.

Source: ft.lk- Jan 07, 2019

HOME

****

Taking Advantage of ASEAN's FTAs

Besides the bilateral Free Trade Agreements (FTAs) that they have individually signed with other countries, each ASEAN member state is a signatory to the ASEAN Free Trade Area (AFTA) between themselves as well as the several FTAs that the regional trade bloc has signed with some of the major economies in the Asia-Pacific region.

These include the ASEAN-Australia-New Zealand FTA (AANZFTA), the ASEAN-China FTA (ACFTA), the ASEAN-India FTA (AIFTA), the ASEAN-Korea FTA (AKFTA), the ASEAN-Japan Comprehensive Economic Partnership (AJCEP), and the ASEAN-Hong Kong, China FTA (AHKFTA).

These FTAs offer a great opportunity for exporters and importers to trade regionally as well as internationally without tariff barriers.

Businesses, with operations in ASEAN, can use the FTAs to gain easy access to new export markets for their products while also importing input material at low costs, and simplified export and import procedures.

Exporters and importers looking to take advantage of the individual ASEAN member states' FTAs as well as the bloc's regional FTAs, must first ensure that their products qualify as an originating good under the terms of the relevant FTA's Rules of Origin (RoO) criteria.

To qualify as originating goods and become eligible for preferential tariff treatment available under the FTAs, the exported or imported items must either be

- Wholly-obtained or produced entirely in an FTA member country; or
- Must have undergone a 'substantial transformation' in an FTA member country.

For the goods that are partially produced within an FTA member country, substantial transformation guarantees that a meaningful manufacturing process has taken place in the free trade area for the good to qualify as originating.

It is important to note that the origin of these goods is dependent on the country where the last substantial transformation is performed.

Certificate of Origin

Essentially, for different FTAs, different RoO systems and requirements exist in terms of the methods used to determine the origin of the good.

In all cases, regardless of the substantive criteria used for meeting the origin requirement, exporters belonging to a FTA member country must obtain a relevant certificate of origin (CO) for each shipment; verifying the origin of the product to take advantage of the tariff concessions available under the FTA and gain greater market access.

Source: aseanbriefing.com- Jan 04, 2019

HOME

****

Bangladesh: Apparel shipment to Europe quicker now

Bangladesh's garment shipment to Europe has expedited with the introduction of transshipment facility from Kolkata's Netaji International Airport on a pilot basis, exporters said.

Last week, the first-ever bonded cargo from Bangladesh flew out of Kolkata airport. The cargo, weighing 4.1 tonnes, was carried by Bangladeshi trucks to the Benapole land port, where it was loaded on to Indian trucks. The Indian trucks carried the goods to the Kolkata airport.

“This is like opening up a new window for us,” said Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The development comes as part of a renewed bilateral trade framework between the two neighbouring nations following government-led panel discussions between the two sides in New Delhi at the end of October.

Transshipment, which is the shipment of goods or containers to an intermediate destination for delivery to final destination through another mode of transport, will shorten the long lead time by a few days. Moreover, the cost of carrying goods will reduce significantly.

The programme will be run on a pilot basis for six months to gain experience to come up with regulation to check cargo diversion.

The first cross-border and land-to-air transshipment from Bangladesh was run by Expo Freight.

“Primarily, we are sending three cargo flights a week. Our target is to introduce six flights per week,” said Maria Rahman, head of key accounts management team of Expo Freight.

The logistics provider has already sent seven flights of cargo after the launch of new operations from the Kolkata airport.

About the charge, Maria said if it costs Tk 5 for carrying a kg of goods by an airline to Europe from Bangladesh, the Dhaka-Kolkata-Europe route will cost Tk 3.5 a kg.

It takes three to five days to reach the final destinations in Europe from Dhaka, she added.

Emirates and Qatar Airways are currently carrying garment items from the Kolkata airport to Europe.

“Primarily our targeted markets are Europe. But we have plans to send apparel cargos to the US if our routes become commercially viable,” she added.

The initiative is commercially viable and cost-effective, said Arvind Aggarwal, senior manager for business development of Celebi Delhi Cargo Terminal Management India, the cargo management company in Indira Gandhi International Airport.

“We are lobbying with the governments of both Bangladesh and India for introducing truck services between Dhaka and Delhi to carry goods to be sent Europe from the Indira Gandhi International Airport.”

Once the Bangladesh-Bhutan-India-Nepal (BBIN) motor vehicles agreement comes into effect fully, the movement of goods by trucks would be easier between the two countries, he said.

At the Dhaka airport, every day more than 1,000 tonnes of goods, mostly garment items, are stored for air shipment, but airlines can carry 700 tonnes, exporters said.

The lead time on exports from Dhaka is higher than some of the country's competitors because of geographical location, according to the BGMEA president. Plus, it takes more time to release goods from the main airport in Dhaka.

Exporters say the rush of goods at the Dhaka airport is so high that goods are left unattended at the cargo village.

Usually, air shipments are made mainly to reduce the lead time, but when exporters opt for that mode of transport they are left with hardly any profit. “Air shipment is very expensive,” Rahman said.

But sometimes exporters have to use the air route to ship goods on schedule. In many cases, buyers carry the cost of air shipments, allowing exporters to make some profit from the sales, the BGMEA chief also said.

It costs between 30 cents and 40 cents or even less for carrying a kg of apparel items from the Chittagong port to any port in Europe.

Source: thedailystar.net- Jan 07, 2019

HOME

****

Bangladesh textile sector saw investment of Tk6,900 crore in last five years

From 2014 to 2018,local entrepreneurs invested an average of Tk1,380 crore per year in the primary textile sector

Bangladesh's primary textile sector, a backward linkage industry for the country's $30.60 billion apparel sector, saw an investment worth Tk6,900 crore in the last five years, owing to growing demand for fabric and yarn.

According to the Bangladesh Textile Mills Association (BTMA), from 2014 to 2018,local entrepreneurs invested an average of Tk1,380 crore per year in the primary textile sector. During this period, 44 new textile mills also became members of the association.

Speaking to the Dhaka Tribune, BTMA President Md Mohammad Ali Khokon, said: "Primary textile sector of Bangladesh has turned into very a strong backward linkage industry for the RMG (Ready-made Garment) sector. Currently, local manufactures are capable of supplying 85% of yarn and fabric, along with 40% of woven fabric,required by the knitwear sector.

"This means the primary textile sector has been unable to fulfill 60% demand of woven fabrics, resulting in investors pouring in funds to grab the remaining market share," Khokon added.

"Additionally, banks were very enthusiastic in financing the primary textile sector, which resulted in more investment," said Khokon, also Managing Director Maksons Spinning Mills Limited.

Economists opined that new investment will strengthen Bangladesh's position in the global value chain,and also help reduce import dependency.

Centre for Policy Dialogue (CPD) Research Director Khondaker Golam Moazzem said: “This increase in investment will raise Bangladesh's competitiveness in the global market.

Bangladesh will also attain a better position in the global RMG value chain.”

How to attract more investment

Stakeholders think more investment can be attracted to the sector, which has not taken place as expected due to a lack of infrastructural support and unavailability of utility services.

“While Tk6,900 crore is no small amount, a good number of investors could not invest in the sector due to a lack of infrastructure, and limited supply of gas and electricity,” said Abdus Salam Murshedy, managing director of Envoy Textiles.

"I hope this Tk6,900 crore investment triples in the next five years,as the government is setting up Special Economic Zones [SEZs] and developing the country's infrastructure," said Salam, also a former president of the Bangladesh Garment Manufacturers and Exporters Association(BGMEA).

Does Bangladesh need FDI for the textile sector?

Since Bangladesh is highly dependent on import for higher end fabrics, Foreign Direct Investment (FDI) in the sector would further boost the textile industry.

“Bangladesh cannot become strong in non-cotton products and local investors are not interested in this area. However,the woven fabrics sector, especially the manufacture of high end or value added products are highly dependent on imported fabrics,” said Khondaker Golam Moazzem.

FDI in these segments can be a solution for Bangladesh to move towards value added products, the economist added. Sector insiders also opined that FDI can be allowed to some extent, especially in the high end segment.

According to Bangladesh Bank (BB) data, in 2017, Bangladesh's textile and apparel sector received foreign investment worth $421.68 million, which is 15.70% higher than $364.44 million in 2016.

As per the BTMA, there are 430 yarn manufacturing mills, 802 fabrics manufacturing mills, and 244 dyeing-printing finishing mills in Bangladesh, along with 32 denim fabrics manufacturing mills and 22 home textile manufacturing mills.

Source: dhakatribune.com- Jan 07, 2019

HOME

****

Pakistan: Trading on cotton market remains dull

The cotton market remained extremely dull and dreary on Saturday as textile spinning mills remained absent and there seemed to be little hope of any turnaround in near future.

The international and local factors continued to hamper smooth trading.

The domestic market had been performing much below its capacity owing to slow demand for cotton by the spinning industry which is presently working under the burden of huge unsold yarn stocks.

Consequently, amid thin trading, cotton prices remained under pressure and closed lower with official spot rates cut down by Rs100 to Rs8,700 per maund during the week.

The cotton rates for Sindh and Punjab varieties hovered between Rs7,000 to Rs8,800 per maund where as phutti (seed-cotton) was quoted between Rs3,000 to Rs3,900 per 40kg.

Chairman Karachi Cotton Brokers' Forum Naseem Usman said that currently there is a slump in demand as well as prices of textile goods in both domestic and international markets. Therefore, spinners are avoiding to further pile up their stocks with cotton.

He further said that during his recent visit to Faisalabad he witnessed that a large number of power looms have shut-down and owners are selling their machinery in scrap.

Those still operating their power-looms are also under crisis because of slow offtake of fabric. This has also rendered a large number of work force jobless and traders are worried about their livelihood as they are sitting idle, he added.

Similarly, ginners are also in a fix as they are holding huge stocks of unsold cotton and they have stopped from lifting more phutti from growers.

In short, the entire cotton economy is currently under a crisis with all the segments facing uncertainty.

The Karachi Cotton Association spot rates were steady at overnight night level at Rs8,700 per maund.

The trading on the ready counter remained restricted to a few deals and as per official reports, the following deals were finalised: 1,000 bales from Ghotki were done at Rs9,000; 400 bales, Fazilpur, at Rs9,000 and 620 bales from Kot Sabzal were done at Rs8,700-8,800.

Source: dawn.com- Jan 06, 2019

HOME

****

NATIONAL NEWS

Interest equalisation for merchants to benefit 40% of textile exporters

Last week, the government extended the scheme to merchant exporters, who form a major part of India's textile and apparel exports

The extension of the interest equalisation scheme is set to benefit nearly 40 per cent of textile and apparel exporters in India, according to experts.

Provided for pre- and post-shipment of textile and apparel products, the scheme offers 5 per cent interest subvention on working capital loans borrowed from banks for all products manufactured and exported by medium and small and medium enterprises (MSMEs).

The scheme is available at 3 per cent on 416 specified tariff lines for non-MSME players. However, it was earlier available only to manufacturer-exporters, not to merchant exporters.

Last week, however, the government extended the benefit to merchant exporters, which form a major part of India’s textile and apparel exports.

“Around 40 per cent of textile and apparel exporters will benefit from this scheme. Working capital loans will be available at lower interest rate and will lower the cost of production in India. India’s exports of textiles and apparels would be competitive in the world market to the extent of benefit under the scheme,” said Siddharth Rajagopal, Executive Director, The Cotton Textiles Export Promotion Council (Texprocil).

Both manufacturer-exporters and merchant exporters require finance to execute export orders, so the decision has come as a huge relief for merchant exporters as the cost of export finance will come down substantially.

K V Srinivasan, Chairman of Texprocil, said, “MSMEs constitute a significant part of the textiles sector and play a crucial role in textiles exports. However, unlike large manufacturers, MSMEs do not have the expertise and resources to sell their products in the export markets. So they have to depend on the merchant exporters to export their products.”

The coverage of merchant exporters under Interest equalisation will encourage them to export more products from the MSME sector, which contributes significantly towards employment generation, especially for women.

Meanwhile, industry players have urged the government to cover cotton yarn under the scheme. Cotton yarn is the only textile product that has not been given any benefits under the Foreign Trade Policy, although it is a value-added product with substantial value addition taking place within the country.

"Inclusion of cotton yarn under the scheme will encourage exports of this product which in turn will benefit the cotton farmers," Srinivasan said.

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

HOME

****

TEXPROCIL to organize Reverse Buyer Seller Meet to boost Textile and Clothing sector

With the objective of promoting the Textile and Clothing sector, the Cotton Textiles Export Promotion Council (TEXPROCIL) is organizing a Reverse Buyer Seller Meet (RBSM), Ind Texpo 2019, from January 27 to 29 2019 at CODISSIA Trade Fair complex, Coimbatore, Tamil Nadu.

The event is being organized in association with the Powerloom Development Export Promotion Council (PDEXCIL) and supported by Ministry of Textiles and the Ministry of Commerce, Government of India.

With an exhibition area of 5000 sq mts," Ind Texpo 2019 is specialized B2B fair in the Indian textile sector offering a one-stop destination for worldwide importers to source Indian Textiles in all its splendor from fibers to fashion.

Along with the support of Indian Missions abroad, an extensive visitor promotion campaign by direct mails, invitations, advertisements in trade magazines and road shows etc. is expected to bring the top decision-makers from around the world to visit Ind Texpo 2019.

Efforts will be undertaken to invite over 150 buyers from around the world with financial assistance offered to them under the MAI scheme of the Ministry of Commerce, Government of India.

Major Textile Associations all over the world have been invited to lead importers delegation to visit the Show.

Source: knnindia.co.in- Jan 05, 2019

HOME

****

Vice President Naidu urges textile industry to develop culture of innovation

Vice President M. Venkaiah Naidu on Sunday called upon the textile industry to develop a culture of innovation, diversify products and tap newer markets for increasing India's exports share in the global market.

Addressing the outreach event on 'Accomplishments and Way Forward for Textile Sector', the Vice President acknowledged that India's export performance has not been up to expectations for a variety of reasons.

"It cannot be business as usual and the industry has to rise to the occasion and ensure that the share of India's exports reaches double digits from approximately 5 per cent at present. You need to diversify your products and tap newer markets," he added.

Pointing out that India enjoys a unique advantage of having abundant raw materials and the presence of manufacturing in all segments of the textile value chain, Naidu asserted, "The sector needs to improve supply chains, focus on research, cost optimisation and scaling-up to achieve greater competitiveness and a higher share in the production and export of top items traded in global markets."

Observing that this was the ideal time for the industry to discard outdated technology and modernise its machinery to be globally competitive, he added, "The availability of raw materials, low cost and skilled manpower was an added advantage for the Indian textile industry, which is expected to reach USD 223 billion by 2021."

The Vice President emphasised that quality has to be the mainstay for India to sustain exports in the global market in the face of stiff competition from Bangladesh and Vietnam.

Referring to various measures taken by the government like allowing 100 per cent FDI and Technology Upgradation Fund Scheme to accelerate textile industry's growth, Naidu advised the industry to focus on innovation and value addition for improving the global competitiveness of the Indian textiles and apparels.

"Innovation is the key. We have to come up with innovative and exclusive products if we have to expand our footprint in the global arena", he added.

Naidu also stressed the need for promoting waterless dyeing by adopting new technology.

At the event, the Vice President presented the Threads of Excellence Awards to various organisations and individuals who have shown their excellence in the textile industry.

Source: business-standard.com- Jan 07, 2019

HOME

****

Bilateral dynamics: India needs a new global trading partner; here's why

India needs new harbours to tide over global uncertainty—Canada could be one

At a time when developing economies have started to reap benefits from open trade and integration with the global ecosystem, the unpredicted shift towards inward-focused policies by developed nations shows emerging signs of a new multipolar world.

Despite this shifting global dynamic, India's transformation story and reforms momentum continue to build traction and find support in long-standing natural allies such as the US, the UK, the EU, Japan and others.

The time is now and right more than ever for India to invest further in building sustainable relationships with like-minded partners such as Canada, who have always been friendly business and cultural partners.

The bilateral trade between India and Canada has grown over the last few years, but these numbers are not reflective of the potential. There has been a steady increase in the number of Canadian companies operating in India, which currently stands at over 400, compared to 300 a year and a half ago.

There is reciprocity in this relationship, with Indian companies too gaining a strong foothold in Canada—close to 100 Indian companies operating across Canada's provinces are responsible for over a billion dollars of investment and have a potential to create 5,000 jobs over the next few years.

This is only the tip of the iceberg, and while a large part of the mix is currently small and medium enterprises (SMEs) on both sides, there are also bigger investors such as the Canadian pension funds who have made significant investments by way of equity funds in a relatively short period of time—this serves as a validation of the growing investor interest and business confidence between the two countries. With Canada also emerging as a coveted destination for Indian diaspora, at the back of its flagship programme for economic migration, it adds to the growing bonhomie between the two nations.

A winning partnership

While disenchantment with economic globalisation continues to be at an all-time high, both Canada and India are two of the very few countries to have an outward-looking posture on matters relating to trade and investments.

Having said that, despite much talk on collaboration and increasing the bilateral trade over the years, there still seems to be ground to cover. There is a need for both the countries to create contours for a sustainable trade negotiation that encompass the fundamentals of economic engagement. Bilateral growth will rest on four factors.

First, leverage on the success in strategic sectors such as infrastructure, agriculture, education and energy. Collaboration in these sectors will not only play a key role in further strengthening the bilateral dynamic, but will also help India become globally competitive.

Second, it's important to realise that SMEs will be the linchpin in this bilateral dynamic and, therefore, there is a need for India to create an investor-friendly ecosystem in order to attract Canadian SMEs.

Third, increase collaboration in emerging sectors such as clean energy, agri-machinery, advanced manufacturing, food processing, clean technology, digital industries, amongst others. These sectors will drive incremental growth in the times to come.

Fourth, cooperation at a subnational level is expected to be a critical factor for economic growth and province-state and city-city collaboration is expected to be the way forward to steer the bilateral economic relationship.

In essence, these two countries' dynamics have all the essential ingredients for becoming a force multiplier on the global business and investment landscape; what is required is a continued momentum and rigour for governments on both sides to lead and inspire a transformative change.

Source: financialexpress.com - Jan 07, 2019

HOME

****

ICICI Bank and SBFC to jointly finance credit to MSMEs

ICICI Bank has signed a Memorandum of Understanding (MoU) with Small Business FinCredit India Pvt. Ltd. (SBFC), a systemically important non-banking financial company (NBFC) for entrepreneurs, to jointly provide credit to MSMEs. The partnership is as per the RBI's circular of September 21, 2018 that permits banks to engage with a NBFC to co-originate loans.

Under the first-of-its-kind lending programme in the country between a bank and a NBFC, MSMEs can obtain loans up to Rs1 crore for a tenure of 15 years. Under the arrangement, ICICI Bank will co-originate loan against property with SBFC at a mutually agreed ratio. The flow of funds from ICICI Bank will help customers to aid their businesses in a seamless manner.

"ICICI Bank has played a key role in the development of infrastructure in India over the last two decades. In keeping with this legacy, we are delighted to join hands with SBFC to bring forth seamless credit as priority sector loans to MSMEs to strengthen them financially and assist the growth of business.

This is a first of its kind lending arrangement between a bank and a NBFC that will enable seamless flow of credit to MSMEs. With this initiative, we aim to support the entrepreneurial aspirations of customers who can contribute to the infrastructure growth story of the country," said Ravi Narayanan, head - Secured Assets, ICICI Bank, in a press release.

"We at SBFC are delighted and humbled to work with an institution like ICICI Bank and being the first NBFC – Bank co-origination enabled by the September RBI circular. This combines the balance sheet strength and superior credit screening experience of the bank with our ability to reach out to the underserved businesses across the country's smaller towns.

This is a partnership of nimbleness and reach with strength and experience. Through this we will enable credit delivery to the micro-enterprises using technology, reach and deliver credit at the right price point that replaces market borrowings or trade credit and improve the cash flows of these businesses," said SBFC MD & CEO Aseem Dhru.

Source: fibre2fashion.com - Jan 06, 2019

HOME

****