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IBTEX No. 30 of 2020 February 07, 2020

US 71.22| EUR 78.22 | GBP 92.17| JPY 0.65

Cotton Market (Feb 05, 2020)		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
18	39300	**70.26**
Domestic Futures Price (Ex. Warehouse Rajkot), February		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
19520	40797	**72.93**
International Futures Price		
NY ICE USD Cents/lb (March 2020)	67.35	
ZCE Cotton: Yuan/MT (May 2020)	12,580	
ZCE Cotton: USD Cents/lb	81.54	
Cotlook A Index – Physical	**76.05**	

Cotton Guide- After 13th January 2020, the prices have witnessed a continuous decline- the reason being, demand concerns from the world's largest cotton importer China. This coupled with the prevailing pandemic has jittered the Markets and handicapped internal Chinese demand. The Chinese are more concerned about basic health parameters rather than their work related activities. Cotton demand coming in from the Chinese mills is almost at a standstill. Mills are more concerned over the health of their employees. Also concerned are the exporters whose goods are in transit to China. The word on the street is that some ports would soon shut their doors to accepting new shipments arriving into the country. However, this news still remains unconfirmed.

On the other hand, the ICE contracts have reacted to all the prevailing international factors. Other importing countries are seen to have booked good amount of cotton based on the current prices.

With the continuous decline seen in ICE futures, yesterday, the prices reversed and the bulls took control driving the prices higher. ICE is again going in tandem to other financial markets. The main reason ICE pushed higher was due the higher figures seen at DOW. The Dow is bouncing back from last week's sharp decline as worries about the coronavirus outbreak are balanced out by Chinese stimulus measures and strong US economic data.

The most active ICE March contract settled at 67.35 cents per pound with a change of +51 points. The ICE May contract and the ICE July contract settled at 68.02 and 68.88 cents per pound with changes of +68 and +66 points respectively. The volumes were again higher at 69,131 contracts. Total open interest decreased by 5,169 contracts to 262,379. March interest decreased by 6,297 contracts to 113,834 while May and July interest increased by 648 and 604 contracts, respectively, to 72,073 and 40,604 [Source Cotlook].

The MCX contracts were again no different to that of ICE registering triple digit gains for the active contracts. The MCX February contract settled at 19,290 Rs per Bale with a change of +110, whereas the MCX March contract settled at 19,510 Rs per Bale with a change of +70 Rs.

The cotlook index A has been updated at 76.05 cents per pound with a change of -60 points. The prices of Shankar 6 have been updated slightly higher at 39,300 Rs per Candy with a change of +100 Rs.

On the fundamental front, we expect prices to see some corrections however; the trend of the next fortnight seems bearish for both ICE and MCX.

On the technical front, in daily chart, ICE Cotton March witnessed a rebound from the support at 67.07(61.8% Fibonacci level of the recent uptrend). Meanwhile price is below the 5 & 9 day EMA at 68.07, 68.49 with a negative crossover which would act as an immediate resistance for the price, along with RSI at 45 suggesting for the negative bias in the market. However, the next support for the price would be 67.07 & 65.92, 76.4% Fibonacci retracement level & long term downward sloping trend line (red line) & the immediate resistance is around 68.49 (9 Day EMA) level. Thus for the day we expect price to hold the range of 66.00-68.50 with sideways bias. In MCX Feb Cotton, we expect the price to trade within the range of 18900-19520 with a sideways bias.

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

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INTERNATIONAL NEWS

China Halves Tariffs on US Imports Amid Coronavirus Strain

China has agreed to halve tariffs on $75 billion worth of U.S. goods as it looks to maintain a sense of 'business as usual' amid the ballooning coronavirus crisis.

The country's Ministry of Finance said Thursday that starting on Feb. 14, it would cut tariffs on certain U.S. imports from 10 percent to 5 percent, and bring duties on other items down from 5 percent to 2.5 percent. The tariffs were initially implemented as part of the back-and-forth battle between the two powerhouse economies as they looked to negotiate a trade deal.

Thursday's move to slash the tariffs are an effort to "alleviate economic and trade frictions and expand economic and trade cooperation" with the U.S., The Wall Street Journal reported China's Finance Ministry as saying.

As part of a phase one trade deal signed on Jan. 15, the U.S. also agreed to curb tariffs on some China-originating goods, eliminating a slated December set (list 4B), and halving the tariff rate on list 4A goods to 7.5 percent. For the apparel and textiles sector, the relief was nominal, as 92 percent of the apparel originally targeted in the trade war, according to the American Apparel & Footwear Association (AAFA), is still facing tariffs. Tranche 3 tariffs, for one, are still in effect, plaguing thread, yarn, textiles and handbags with the punitive duties.

Though the phase one deal has been signed and negotiations for a phase two deal were supposed to follow closely behind, doubts have arisen as to whether China would be able to come through on commitments made in the first deal—particularly now that it's battling an escalating health crisis.

Stipulations in the initial trade deal include promises on China's part to boost agriculture buys by at least $200 billion, as well as ramping up purchases of American goods and services. Thursday's move may be part of China's plan to get there, according to Nelson Dong, senior partner at international law firm Dorsey & Whitney.

"Since tariffs automatically increase the cost of imported goods (in this case, into China), it would be inherently contradictory public policy to want more Chinese purchasers to buy American products and yet at the same time to make them more expensive than necessary because of such tariffs," he said. "However, even with these tariff reductions, there are still many skeptics who believe China will have significant difficulty reaching those Phase One goals."

For one, focusing on imports of any additional goods at present proves problematic because the coronavirus outbreak has significant portions of the country under lockdown, goods piling up at ports, and workers—including truckers who would handle goods movement in the country—warned off from returning to work in the hopes of minimizing further spread of the virus, which, as of Thursday morning, has infected 28,060 people in China and killed 564, according to World Health Organization director general Dr. Tedros Adhanom Ghebreyesus.

"The coronavirus problem is already widely expected to hurt China's domestic economy," Dong said. "Tens of millions of Chinese workers have been ordered to stay home on an extended Lunar New Year break in an effort to reduce the risk of human-to-human transmission of the disease. Their lost hours of work will be significant in the aggregate and will clearly lower national productivity in 2020 and thus lower corporate revenues and earnings."

As such, China's phase one deal commitments will be challenged to say the least, which further threatens the potential for a phase two deal anytime soon, though U.S. Treasure Secretary Steven Mnuchin told reporters Thursday that he and U.S. Trade Representative Robert Lighthizer will be traveling to China next week to continue talks.

"When all of these adversely affected Chinese companies tally up those losses, that will likely lead to tightened budgets that will lead in turn to lowered purchases, especially of relatively more expensive imported goods," Dong said. "

Thus, if China hopes to have any chance of meeting its phase one agreement import commitments, it has to adjust for those economic headwinds," he added, "and so these tariff reductions are probably calculated to reinforce the government's recent injection of more liquidity into the Chinese financial system."

Source: sourcingjournal.com- Feb 07, 2020

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Latin American Exports Buoy Global Cotton Growth, but What's Ahead for Prices?

The International Cotton Advisory Committee's (ICAC) February update of cotton conditions is projecting that the global cotton trade will grow 2 percent in the 2019-20 season, reaching 9.4 million tons and foretelling stable prices.

China should remain the world's top importer at 1.8 million tons, but that would represent a year-over-year decline of 14 percent, ICAC said.

Production is expected to decline in some major producing countries, with Turkey revised downward to 815,000 tons and Pakistan to 1.35 million tons. As a result, imports will increase for both countries to 818,000 tons and 967,000 tons, respectively, ICAC said.

Latin American countries should meet some of that additional demand. Brazil's production is expected to remain high at 2.76 million tons and exports are expected to grow 19 percent to 1.7 million tons. Argentina is also forecast to increase its production, to 358,000 tons, posting a gain of 39 percent, while imports are expected to increase by 57 percent to 186,000 tons.

The latest U.S. Department of Agriculture (USDA) report forecast U.S. production to be 20.1 million bales in the current season compared to 18.4 million bales in 2018-2019.

USDA expects U.S. exports to be unchanged at 16.5 million bales for the season, which represents the second-highest volume on record. Stability in the export forecast caused each of the four consecutive decreases in the U.S. production forecast, representing a decrease of 2.3 million bales since August, to result in four parallel decreases in ending stocks.

The current projected increase in U.S. ending stocks of 11 percent, or 550,000 bales, has dropped from a forecast 48 percent gain to 2.4 million bales in August.

"At current estimates of production and consumption, cotton prices should make modest gains through the end of the season," ICAC said.

The group's current price projection for the year-end average of the Cotlook A Index, an average of global cotton pieces, has been revised to 80 cents per pound. On Tuesday, the Cotlook A index stood at 76.65 cents per pound. U.S. spot cotton prices averaged 65.21 cents per pound for the week ended Jan. 30. That was down from 65.95 the prior week and from 69.81 cents a year earlier.

Source: sourcingjournal.com- Feb 07, 2020

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These Countries Gained and Lost Apparel Imports Share Last Year

The numbers are in and they show it wasn't a good year for China or Mexico, for that matter, when it came to supplying the U.S. with apparel.

The trade war between the world's two biggest economies, which drove many brands to shift their sourcing out of China to avoid steep tariffs, resulted in apparel shipments from China to the U.S. falling 9.1 percent in 2019 for a value of $24.88 billion from $27.37 billion in 2018, according to the Commerce Department's Office of Textiles & Apparel (OTEXA).

This brought China's import market share of apparel down to 29.68 percent in value terms for the year compared to 33 percent in 2018. In volume, China's apparel import market share fell to 39.93 percent in 2019 from 41.9 percent the previous year.

For different reasons, mostly the cost of manufacturing compared to other Western Hemisphere countries, apparel imports from Mexico were down 6.49 percent to $3.13 billion for the year, according to OTEXA. An example was Gildan Activewear, which said in November that it was closing its textile and sewing operations in Mexico and relocating the equipment to its operations in Central America and the Caribbean Basin.

Glenn Chamandy, president and CEO of Gildan, said Mexican production represented about 8 percent to 9 percent of capacity, which will now be moved to Central America and Honduras and "be absorbed pretty quickly."

Imports from Honduras–part of the Central American Free Trade Agreement (CAFTA)–rose 9.82 percent to $2.82 billion for the year, while overall CAFTA shipments increased 3.68 percent to $8.65 billion. This included an 11.09 percent increase for Nicaragua for a value of $1.01 billion.

Among China's Asian neighbors, imports from No. 2 supplier Vietnam gained 11.01 percent in 2019 to reach a value of $13.56 billion. This gave Vietnam a 16.18 percent market share, rising from 14.75 percent in 2018.

Imports from Bangladesh increased 9.83 percent for the year to reach $5.93 billion, while India's shipments rose 6.8 percent to $4.06 billion. Imports from Cambodia jumped 11.29 percent for the year to $2.68 billion and Pakistan's shipments increased 7.11 percent to $1.46 billion.

Reflecting the strategies behind the winners and losers in 2019, Yelena Mogelefsky, vice president of sourcing and production at Komar Brands, said at last month's Texworld USA show that her company's diversification plan has evolved from being "narrow and deep," with loyalty to factories that had performed well over the years, to "knowing right now that China's not necessarily the place to be," and putting production in places like Vietnam.

The only other Top 10 apparel suppliers that notched declines in imports were Indonesia, down 1.68 percent to $4.4 billion, and El Salvador, off 2.45 percent to $1.86 billion. This came as overall apparel imports fell 0.3 percent in volume to 27,740.7 square meter equivalents in 2019. In value, apparel imports from the world increased 1.16 percent to $83.86 billion.

Among secondary suppliers showing strength in 2019 were Middle Eastern countries Jordan and Egypt, and African countries Kenya, Madagascar and Ethiopia, along with Haiti, Turkey and Myanmar.

Source: sourcingjournal.com- Feb 07, 2020

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Zero-tariff becomes priority for UK post Brexit

Zero-tariff trade has become the number one priority for the UK after Brexit. Without a tariff-free trade deal, everything can get more expensive and difficult. Imposing tariffs would require bonded warehousing, to minimise the duty paid on moving goods. Though the EU is ready to offer a highly ambitious trade deal that includes zero tariffs and quotas, it would also demand specific and effective guarantees to ensure a level playing field.

The EU is the UK's largest export market. Three fourths of the UK's exports go to the EU across the fashion and textile industry, so an additional cost on top of that would be catastrophic. It will also be important for the UK and Turkey to secure a separate trade deal. Turkey is a big fabric supplier, and has a customs union with the EU, so the UK will have to do a deal.

At the same time there would be no need for a free trade agreement to involve accepting EU rules on competition policy, subsidies, social protection, the environment, or anything similar, any more than the EU should be obliged to accept UK rules. The UK exited the bloc on January 31, 2020.

Source: fashionatingworld.com- Feb 06, 2020

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Bangladesh: RMG exports to US grow moderately in 2019

The country's apparel exports to the United States in 2019 registered a moderate growth riding on the excellent performance of readymade garment products in the first half of the year.

Apparel exports to the US in last year grew by 9.83 per cent to $5.93 billion from $5.40 billion in the year 2018, according to data of the Office of Textiles and Apparel under the US Department of Commerce, released on Wednesday.

Exporters said that the export growth in the US in the first half of 2019 was a first-rate on and the second half of the year witnessed a gradual slowdown in growth.

They said that RMG exports to the US in 2019 registered a 9.83-per cent growth due to a first-rate growth in the first half of the year.

The OTEXA data showed that Bangladesh's RMG export to the US in January-June of 2019 stood at $3.08 billion, which is 14.49 per cent higher than $2.69 billion in the same period of 2018.

Apparel export to the US in the second half (July-December) of 2019 grew by only 5.19 per cent to $2.85 billion from $2.71 billion in the same period of 2018, according to the data.

'We failed to achieve the required export growth in the US market in 2019 as we could not take advantage of the US-China trade war,' Bangladesh Knitwear Manufacturers and Exporters Association first vice-president Mohammad Hatem told New Age on Thursday.

He said that the export growth to the US market was satisfactory until the first half of 2019 but it declined in the second half of the year.

Hatem said that the export growth of Vietnam and Cambodia, two competing countries of Bangladesh, to the US were much higher than Bangladesh as they grabbed most of the business shifted from China due to the trade war.

He expressed his worry over the competitiveness eroding of Bangladesh due to increasing production cost and overvalued local currency and said that export might decline more in the coming months.

Although the US import of apparel from China declined by 9.10 per cent in 2019, the import still remained the highest.

The US apparel import from China in 2019 decreased to $24.88 billion from $27.37 billion in 2018.

Vietnam's RMG export to the US in 2019 grew by 11.01 per cent to $13.56 billion from $12.22 billion in 2018, the OTEXA data showed.

The US apparel import from India in 2019 stood at $4.06 billion with a 6.80-per cent growth while the import from Indonesia fell by 1.68 per cent to $4.40 billion in the year.

Apparel exports of Cambodia in 2019 grew by 11.29 per cent to $2.68 billion while the exports of Mexico to the US in the year fell by 6.49 per cent to $312 billion, the data showed.

Source: newagebd.net- Feb 06, 2020

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USMCA to Bring Benefits to U.S. Textile Industry

Cotton growers are optimistic about some of the details in the recently signed U.S.-Mexico-Canada Agreement (USMCA), which should provide benefits for the U.S. textile industry.

Following approval from Congress, President Donald Trump signed the USMCA last week, with many commodity groups looking forward to its implementation.

"President Trump noted that the USMCA includes important protections and updated rules of origin that are important to the U.S. textile industry and indicated that it should help boost the textile industry here in the United States because of these key protections that were added," said Vice President of Washington Operations for the National Cotton Council, Reece Langley. "National Cotton Council is very appreciative of the work that this administration has done to update NAFTA and include these improvements for our industry."

As the cotton industry looks forward to the benefits provided by the updated trade agreement, the Canadian Parliament will still need to officially approve USMCA before it can be implemented. "It has already been approved by the government in Mexico. So, this free trade agreement or updated trade agreement is getting that much closer to implementation," Langley noted.

Source: agnetwest.com- Feb 06, 2020

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Kenya-US FTA talks start today

Kenya foresees no conflict in pursuing close ties with both the United States and China, Kenyan President Uhuru Kenyatta said yesterday, as he meets US President Donald Trump today in Washington, DC, to start talks on a potential free trade agreement (FTA). Kenya is keen to secure its future before the Africa Growth and Opportunity Act (AGOA) expires, he said.

AGOA allows sub-Saharan African countries to export thousands of products to the United States without tariffs or quotas until 2025.

The east African country is not interested in being drawn into some proxy war between the world's two largest economies after decades of Cold War tensions between the United States and the Soviet Union that also played out in Africa, Kenyatta was quoted as saying by global newswires.

A US-Kenya FTA would be the first such pact signed by Washington with a country in sub-Saharan Africa, and only the second FTA with any African country. An FTA was signed with Morocco in 2004.

Source: fibre2fashion.com- Feb 06, 2020

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Vietnam caught in crosshairs as the US-China conflict continues

Caught in a cross fire, Vietnam is currently being squeezed between two economic superpowers -- the US and China. While it needs free access to the American market to keep its export-powered growth story going, the country also heavily relies on Chinese imports that span everything from yarn to chemicals and machines for assembly lines.

Vietnam's relations with China have always ranged from unpredictable to turbulent. Its overreliance on trade makes it particularly vulnerable to geopolitical risks. This slender, S-shaped nation has long attracted the attention of foreign powers jockeying for regional influence.

However, it is likely to fast lose ground if dragged into the trade war or embroiled in hostilities with China. Despite rough patches in their relationship, China, which supported Vietnam during its war with the US five decades ago, ensures that Vietnam remains within Beijing's orbit of influence and promotes trade and investment in Vietnam. The country regularly promotes trade and investment in Vietnam. On its part, the US sends warships to visit the Southeast Asian country to participate in joint activities with the Vietnam People's Navy.

Vietnam takes a neutral stance

In this clash between the two giants, Vietnam aims to remain neutral. To stay on an even keel, senior VietnameseVietnam caught in crosshairs as the US China conflict officials always pay a visit to Beijing whenever they visit Washington. The country knows how to maintain its independence without being gratuitously provocative.

However, territorial tensions between Vietnam and China have been escalating for the last four months. In mid-2014, China positioned an exploration oil rig off Vietnam, triggering violent anti-China protests. Then, Chinese competitors flooded across the border to set up factories, too. Investment from China and Hong Kong surged, from $3.4 billion in 2014 to $11.9 billion in 2019, on hopes of taking advantage of the proposed agreement.

Twin typhoons strike Vietnam

The trade war is attracting more Chinese companies to Vietnam putting the country at risk of new duties on its exports. Currently, twin typhoons are bearing down on the country as the fortunes of its Hong Le Trading Company are being inescapably exposed to two opposing forces.

Its new fabric unit imports yarn from China which is further spooled into Chinese-made cotton-spinning machines to produce bolts of cream-colored fabric. These bundles of cloth are then trucked to Hong Le's dye unit, Hao Hanh Trading Co. Chinese dye chemicals are used to treat this fabric before it's sent to factories throughout Vietnam to be cut into shirts and dresses destined for clothing racks in the U.S

Source: fashionatingworld.com- Feb 06, 2020

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Member of European Parliament praises Bangladesh economic growth

MEP Tomáš Zdechovský (KDU-ČSL), a member of the Southeast Asia Parliamentary Delegation praised the economic progress made by Bangladesh during a conference on the EU – Bangladesh trade.

"There are not many other countries who would manage to come out of poverty in less than 50 years. Bangladesh has grown into one of major business EU partners and I am positive that this cooperation will develop into a long-term one. Bangladesh knows how to use the help the EU has to offer", the MEP remarked.

Since 1980 Bangladesh has increased its GDP hundred times and is now turning into a low middle-income country.

State Minister of Bangladesh for Foreign Affairs, Shahriar Alam, praised the role of the EU trading schemes for his country: "The European Union helped us to establish our economy. The Everything but Arms trade scheme has paved the way for our development. Nowadays, trade with EU creates almost 70 % of all our exports."

Ambassador of Bangladesh to the EU, H.E. Mohammed Shahdat Hossain thanked Tomáš Zdechovský for his support in the European Parliament where he worked on objective resolutions on Bangladesh.

The EU is Bangladesh's main trading partner, accounting for around 12% of Bangladesh's total trade. Bangladesh's main export industry – textiles & clothing (primarily, ready-made garments) – represents about 90% of the country's total exports to the EU. Of the rest, products such as frozen food, agri-products, footwear, leather products and bicycles have grown in importance in recent years. EU exports to Bangladesh are dominated by machinery and transport equipment.

Source: newdelhitimes.com- Feb 07, 2020

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Vietnam: Textile, footwear firms in a stitch as coronavirus infects material sourcing

Vietnamese textile and footwear manufacturers are struggling to import material from China where the new coronavirus outbreak has resulted in factories being shut down.

Vietnam Textile and Apparel Association (VITAS) recently advised textile companies to tap other markets to meet production targets.

The move came as a response to the novel coronavirus (2019-nCoV) continuing to claim lives in China, which in 2019, accounted for almost 60 percent of Vietnam's garment imports, and 55 percent of fiber, according to VITAS.

Tran Van Dang, owner of a handbag manufacturer in District 3, Ho Chi Minh City that regularly sources material from China, said there was no leather left when his factory resumed operation on Monday, following the seven-day Lunar New Year, or Tet break.

"If we cannot import more material from China this week, production will cease next week," he told local media.

Another manufacturer in Go Vap District said his Chinese suppliers still let workers stay home to avoid spreading 2019-nCoV, meaning his stock will run out in two weeks.

Truong Thi Thuy Lien, CEO of Lien Phat Footwear in southern Binh Duong Province, has enough material for the next three months, but remains concerned because 2019-nCoV is still spreading across China.

"If the disease persists, our supply and transport chain will be in trouble. In the worst case scenario, manufacturing will have to stop or be delayed."

Many clothes sellers in An Dong Market of District 5, HCMC have not been able to order more stock from China where factories have yet to resume operations, having to pay VND2 million ($86) a day in stall rent.

Dieu, a seller at the market, said: "Usually by this time each year I have received 3-4 packages from China. But so far, none have arrived, and we might have to continue waiting for weeks."

Other sectors have also reported challenges in acquiring materials as China shuts down manufacturing in many cities to contain 2019-nCoV. In central Hubei Province, where the majority of 2019-nCoV-related deaths have occured, factories will not resume production until February 14 and could run on a limited scale after that.

Nguyen Quoc Anh, chairman of Ho Chi Minh City Rubber Plastic Manufacturer Association (HRPMA), said production of rubber and plastic in Vietnam is largely dependent on China with 70 percent of materials imported from the country.

Anh, also CEO of rubber firm Duc Minh, said the company’s material will run out in a month. If Chinese suppliers still cannot provide more material by that time, the company would have to source from Japan and South Korea where prices are 15-20 percent higher.

"Profitability will be challenged by higher material costs as we have fixed prices with customers since the end of last year."

Leading stock brokerage SSI Securities Corporation (SSI) noted the 2019-nCoV outbreak could negatively impact 10 major industries in Vietnam, including textiles, as Chinese factories close down.

In January, Vietnam’s imports of fabric from China fell 18.1 percent to $950 million, according to General Statistics Office (GSO).

Exports of textiles, a key sector, in all markets fell 21 percent year-on-year to $2.6 billion in January, while that of footwear fell 9.7 percent to $1.6 billion, it added.

Source: e.vnexpress.net- Feb 07, 2020

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Pakistan: Value-added textiles fear exports to crash amid liquidity crunch

The value-added textile sector as well as exports will crash if the government continued with its anti-industry policies like suspension of zero-rating regime, hike in utilities tariffs, industry officials said on Thursday.

“We have had enough of false promises of ministers and the FBR (Federal Board of Revenue), and the industry has been pushed on the verge of closure,” said Javed Bilwani, Chariman Value Added Textile Exporters Association, at a joint press conference.

Associations representing the entire textile value chain attended the conference, including All Pakistan Textile Mills Association.

“We are tired of U-turns taken by finance minister, adviser on commerce, and chairman FBR. The industrial units are closing and people are thinking of moving their investments abroad”.

The industrialists demanded immediate restoration of zero rating - No Payment No Refund System, clearance of payments of pending refund claims of sales tax, reduction in utilities tariff and uninterrupted supply of gas and electricity.

“Exporters fear their precious liquidity taken away by the government in the shape of sales tax would be completely stuck and excessively delayed because the FBR has also failed to achieve its revenue collection target,” Bilwani said.

“If the government does not realise the gravity of the situation and exporters refunds are not released on war-footing basis, the textile exports will completely collapse leading to enormous flight of capital, massive layoffs, and uncontrolled unemployment”.

Bilwani said the government had failed to refund sales tax claims under FASTER ((Fully Automated Sales Tax e-Refund)system of textile exporters as per commitment that the refund claims would be cleared in 72 hours; contrarily the exporters' claims had not been paid for the last seven months.

Zubair Motiwala, Chairman Council of All Pakistan Textile Mills Associations, said the industry was confused whether the government wanted to promote exports and industry or destroy them. “The SME (small and medium enterprises) exporters are hit hard, as all their liquidity is stuck. Around 10 percent SME units have already closed.”

Motiwala said the cost of production had increased manifold and local producers could not compete with the regional competitors, due to which exports markets were being lost. “We are not demanding any additional favours. We are only asking the government to provide us with a even playing field with the competitors such as India and Bangaldesh,” he said.

The industrialists also opposed proposed hike in utilities tariff.

“It seems the government intentionally wants to destroy the industry in Karachi, which constitutes over 50 percent of exports revenue as bombs are being dropped on it one by one in the shape of retrospective increase in electricity prices, higher interest rates, stuck refunds, and further increase in gas prices,” Motiwala said.

It is the time that government and Prime Minister take notice of the situation and take measures to save industry, industrialists said.

The exporters also slammed the imposition of 17 percent sales tax on export-oriented sectors, which they said was unilaterally imposed by the government despite of the stakeholders’ strong objections.

Source: thenews.com.pk- Feb 07, 2020

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Fresh cotton arrival statistics show decline of 2.1m bales

The fresh cotton arrival statistics shows massive decline in cash crop with the shortfall of 2.1 million bales, said the ginners.

Talking to The News here on Thursday, they said that the decline of 19.98 per cent (2.1 million bales) was mainly because of the absence of second buyer, poor seed quality and spurious pesticides. The ginners had estimated the shortfall of Rs 8.4 billion to the national economy. When the arrival of bales was compared to the country’s textile sector demand, the shortfall had exceeded to six million bales worth Rs 2.4 trillion, the ginners added.

The textile sector was taking the advantage of monopoly owing to the absence of second buyer in the market, the ginners said, demanding the government probe the reasons for the shortfall in production while Prime Minister Imran Khan was committed to boost up the agriculture sector.

Pakistan Cotton Ginners Association ex-chairman Shahzad Ali Khan estimated loss in trillions of rupees due to unfavourable policies devised last year.

He claimed that the mafia was discouraging cotton cultivation in the most sophisticated way and financially exploiting the growers. There were three stakeholders in cotton business, including growers, ginners and textile, he added. He said that the ginners reimbursed to the growers when they received payments from the textile mills, which were using delaying tactics, causing problems for the growers.

Source: thenews.com.pk- Feb 07, 2020

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NATIONAL NEWS

Coronavirus outbreak likely to hit yarn, garment exporters

Indian exporters/importers of readymade garment, cotton yarn, fibres and fabric are likely to be impacted due to the outbreak of coronavirus. With toll crossing over 550 across the globe and victims mostly in China, any further prolong of the outbreak will take a toll on thousands of crores of business transactions being done annually between buyers and sellers in the textile sector of the two countries.

Chinese buyers generally begin their annual sourcing from Indian exporters in January every year. However, this time due to coronavirus, buyers from China have not come forward so far for any trade transaction. China has curtailed movement of people in some parts of the country on a temporary basis. It remains to be seen how things will turn out, going forward.

"Any prolonging of this dreadful disease will cast an impact on our cotton yarn export business," said an official of Southern India Mills' Association (Sima), a leading mills association in India. Similarly, Indian exporters also export viscose, polyester yarn and fibre to some extent to China, he said.

A spokesperson of Tirupur Exporters' Association (TEA) while expressing concern over the outbreak said: "Nationally, exporters of readymade garments import over Rs 1,000 crore worth accessories such as buttons, metal buttons, zips, hangers and needles, among other items, from China as they are nearly 40% cheaper than India and other countries. Though the exporters don't see any immediate impact but if the outbreak continues for some time, they need to look at an alternate sourcing of these accessories, which in turn may increase the finished goods cost by 3% to 5%."

A spokesperson of Texprocil, the apex body for exports, said: "At this point of time, it is a bit of concern for us. The coronavirus is an unexpected disruption to the Indian cotton yarn and fabric exporters. On an average, India exports 90 million kg of yarn a month and China alone imports 30% from India a month. At an average price of $3.5 a kg (around Rs 220 a kg), one can count what would be the impact if coronavirus (outbreak) prolongs further."

The TEA spokesperson further said the European buyers, who normally begin negotiating with the garment exporters of India, Bangladesh and Indonesia for their annual requirements in January at Hong Kong, had cancelled their visit at the trading hub of Asia due to coronavirus as Hong Kong, too, had been affected by the deadly disease. The exporters have been asked to trade through videoconferencing, which many exporters in India find it difficult to bargain for a better price of their products."

According to the Sima spokesperson, with China further extending its holiday for a week or 10 days, they expect the trade negogiations between China traders and Indian exporters to get further delayed. "With the impact of coronavirus, the Chinese buyers may go for renegotiation on prices, which may again impact our business." "Though it is bit of grave concern at this point of time, but we expect normalcy will come to China as early as possible and the exports will begin as usual over the years as we see demand pick up and China will continue to be the largest market for us," the Texprocil spokesperson added.

Source: financialexpress.com- Feb 07, 2020

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Industry hopeful of normal cotton exports this season

Cotton ginners are hopeful that notwithstanding the present slump, India will be able to export at least 40 lakh bales each of 170 kg of cotton in the current season.

Ginners believe that in case the trade slump caused by the spread of coronavirus in China ceases, the export could be more than 45 lakh bales. Meanwhile, raw cotton from India is expected to find favour in the international markets as the produce is around 5 to 7 per cent lower than the international prices.

Estimates by the Cotton Association of India (CAI), the industry body that represents the cotton value chain, have shown that till January 31, 192.89 lakh bales have arrived in markets, which industry sources say, is around 55 per cent of the produce.

The Cotton Corporation of India (CCI) under its Minimum Support Price (MSP) operations have procured 56 lakh bales while the country has seen 10 lakh bales of imports. Robust procurement by the CCI and a spike in prices of cotton seed has seen average traded prices of kapas (which contains 33-34 per cent lint, with the balance accounted for by seed) in the Rs 5,100-5,200 per quintal range in majority of the wholesale markets of the country.

Pradeep Jain, founder chairman of Khandesh Gin/Press Owners and Traders Develop-ment Association, said they are hopeful that around 40 lakh bales would be imported from the country. “Bangladesh, Vietnam and Indonesia will be our main customers. In case the first phase of US-China trade deal gets signed, we are hopeful that the exports will be over 45 lakh bales,” he said.

Ginners from Khandesh — comprising Nandurbar, Jalgaon, Dhule, Nashik and Ahmednagar districts — are hopeful to export directly to Bangladesh. In this regard, a special team will be leaving for Bangladesh towards the end of February.

At present, the Indian cotton is trading around 5-7 per cent below the international cotlook, an index that has sparked hopes of exports. Jain added that Indian candy, which contains 356 kg of pressed cotton, is at present trading at Rs 38,000-39,000 as against Rs 40,000-41,000 per candy. However, weak demand has resulted in sluggish sales which has put question mark about the prices in the future.

While wholesale prices are hovering near the government declared MSP of Rs 5,550 per quintal, traders are wary of them falling once the quality of cotton arriving in the markets deteriorate. Post-March, many traders said, the produce from the second flush will arrive in the markets.

Source: indianexpress.com- Feb 07, 2020

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Industry leaders demand textile machinery park in city

The Southern Gujarat Chamber of Commerce and Industry (SGCCI) has submitted a representation to the Union Textile ministry for setting up of the textile machinery park in the city for promoting the indigenous manufacturing.

Representatives from the textile industry led by SGCCI president Ketan Desai, held discussions with the special secretary of textile ministry at New Delhi for promoting the indigenous manufacturing of textile machinery and reducing the dependence on the countries like China, Japan, Korea and Taiwan for the import of high-end textile machinery.

Talking with TOI, Desai said, “Majority of the high-end machinery in the textile sector is imported from Far East countries including China. There are textile machinery manufacturers in Surat and south Gujarat who are capable to match the standards of the machine manufacturers in foreign countries. We have represented the government for setting up textile machinery park in the city.”

Desai added, “In a meeting with Prime Minister Narendra Modi, we had discussed to promote indigenous manufacturing of textile machinery and that he had instructed the respective departments to work out a strategy.”

According to Desai, about 7,500 embroidery machines and more than 3,000 water-jet and air-jet machines are imported from in the city per annum.

Hetal Mehta, former president of SGCCI said, “We are going to prepare a detailed reported on the imports of textile machinery and that it will be submitted to the textile ministry for further action. Along with the textile machinery park, we have demanded that the indigenous manufacturers should be given facilities for the research and development of new products.”

Source: timesofindia.com- Feb 07, 2020

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MSME loan recast window extended till December 31

RBI on Thursday extended the restructuring window for MSME loan accounts till December 31, 2020, which was supposed to expire in March 2020. The one-time restructuring can now be done without a downgrade in asset classification to standard accounts of GST-registered MSMEs in default as on January 1, 2020.

“The restructuring under the scheme has to be implemented latest by December 31, 2020,” the central bank said in its ‘Statement on Developmental and Regulatory Policies’ accompanying the monetary policy, adding that detailed guidelines would be released shortly.

This is a relief to banks as the latest available data released by the lenders shows that at least 19 banks have restructured advances to MSMEs worth Rs 16,746.83 crore in 4.55 lakh accounts. CARE Ratings senior director Sanjay Kumar Agarwal said the restructuring window offered to the MSMEs is akin to that provided to the textile industry several years ago, after which the companies were able to deliver.

“The NPA figures will not deteriorate, as FY22 is when the results will show up. It all depends on how the economy will perform in that period. We expect some relief in the gross NPA from the existing 5.5-6% for the segment as of now,” he said.

Finance minister Nirmala Sitharaman, in her Budget speech, had said the government had asked RBI to extend the restructuring window until March 31, 2021. The UK Sinha expert committee report on MSMEs, released in July 2019, said bankers were hesitant to restructure the MSME accounts, even though there is no need to make immediate provisions.

Apprehension arising from internal staff accountability exercise triggered by the classification of any account as NPA and a concomitant fear of investigative agencies, and the fact that there is no visibility of future viability of MSME accounts had led to the hesitation. The report had recommended to upgrade MSME accounts to standard after six months of satisfactory operations, instead of one year at present.

To ensure better rate transmission, the central bank also linked all new floating rate loans by banks to medium enterprises to external benchmarks including the policy repo rate, or any benchmark interest rate produced by Financial Benchmarks India, including treasury bill rates effective April 1, 2020. Previously, all fresh floating rate personal or retail loans and floating rate loans to micro and small enterprises (MSEs) extended by banks were linked to external benchmarks effective October 1, 2019.

Source: financialexpress.com- Feb 07, 2020

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Why tariff hikes won't protect domestic manufacturers

The FY21 Budget announced tariff increases on a range of household products and appliances as part of a trade policy to restrict 'unnecessary' imports. Many of these imports are from China, India's widening trade deficit with which has caused the government concern. The rationale given is to protect local manufacturers, and give a boost to Make in India. This comes soon after the cutting of corporate tax rates to make them globally competitive, especially with ASEAN countries like Vietnam, with which India is competing for investments. Despite a range of policy initiatives, the manufacturing share of India's GDP remains stubbornly 'stuck' at around 15%. While India is not alone in imposing higher trade barriers post the 2008 financial crisis, it is one of the most aggressive users of anti-trade notifications. WTO estimates that India's average MFN tariff is the highest among major economies.

I don't contend that India should refrain from using these measures to protect its interests. Data supports the government view that our regional trade FTAs didn't have a positive outcome for local industry. While overall volume of trade increased, imports increased faster.

But, my fear is that by going back to a more protectionist stance, we may be in danger of shooting the messenger instead of addressing the lack of global competitiveness of many parts of India's manufacturing sector. The worst-case outcome will be if we become comfortable again with the high tariff protection regime and discredited policy of import substitution of the 1960s to 1980s, which had made India a low-innovation, high-cost manufacturing economy.

Let us understand the ‘message,’ starting with tariff hike. Most of these ‘unnecessary’ imports, like toys, small plastic parts, small furniture, etc, are made by private Chinese SMEs, which operate in a hyper-competitive environment in a country with rapid increase in wages, and not by subsidised, large state firms. Indian SME suppliers are unable to compete with them, despite the additional cost of transportation from China, even though they do not lack a large-scale local market as these products mostly cater to the mass segment.

Further, despite the tax cuts to make India a more attractive manufacturing investment destination, Vietnam is attracting a major share of the large capacities shifting out of China, despite India’s much larger domestic market as an attraction. As a result, Vietnam’s manufacturing exports are growing rapidly while India’s are stagnating or declining.

The message is clear. The important link connecting both these contexts is simply the lack of competitiveness at both ends of the spectrum—Indian SMEs in local market are being outpriced by their Chinese competitors, and large scale manufacturers find themselves outpriced in the global market by plants in Vietnam (and several other countries, e.g., Bangladesh for textiles).

This is not to say that we don’t have any globally competitive SMEs or large manufacturing companies, but these are more the exception than the rule. And, unless we address this essential poor global competitiveness, we face the danger of falling into the high tariff protected, import substitution, high-cost manufacturing mindset of the 1960s and 70s.

So, what should we do? I have two observations to offer. First, I do think that a trade policy favouring local manufacturers is a legitimate policy lever (if allowed within WTO rules) as long as there is clear understanding within the industry that these tariff increases are temporary and they have to improve their cost competitiveness during this period of high tariff imposition.

From past experience, we can see that this strategy has helped build the only two globally competitive manufacturing sectors we have in India—automotive, and pharma. Both these industries developed in the 1980s and 1990s; since then, we haven’t been able to add even one more industrial sector (not counting ITES) to this short list.

The highly competitive automotive industry developed in India by harnessing a protectionist policy regime of a phased manufacturing program (PMP), with private sector's entrepreneurial enterprise. Similarly, the pharma industry developed where a protectionist patent policy (India's interpretation allows local firms to develop innovative, cost-efficient processes of of-patent molecules) combined with the genius of local entrepreneurs, who knew that they have a window of opportunity before this liberal interpretation of patent regulations will come under pressure from global pharma giants. In both sectors, industry players knew they had to become globally competitive while the protectionist policy lasted, and they did.

Clearly, we need a game-plan for global competitiveness along with the tariff protection and tax cuts. And that is my second observation. While the NDA government has initiated several major policy reforms—GST, focus on EoDB, infrastructure development, setting up a logistics department, etc—to support the manufacturing sector, we have to 'change our game' and put global competitiveness at the centre of our industrial policymaking to ensure that our trade, investment, and industrial policies are synchronised, with one overarching objective—global cost competitiveness of the Indian industry. Without this, individual policy initiatives will not deliver the full benefit to the industry.

So, how do we achieve this? By measuring India's rank, and then having a clear roadmap to improve it. The only measure of this is Cost of Doing Business (CoDB), which has to be built on (i) factor costs, (ii) cost of, and access to capital (especially for SMEs), (iii) regulatory compliance costs, and (iv) other factors of global competitiveness that go beyond EoDB. Only by developing such a measure that brings together the comprehensive set of factors that drives CoDB, and then using this metric to inform our policymaking, can we improve our global cost competitiveness.

The importance of having such a metric comes out if we compare CoDB for Vietnam and India to understand why manufacturing investors prefer the former. The comparison shows that, interestingly, India and Vietnam don't have hugely different factor costs. India is most disadvantaged on government and regulatory costs, and speed of decision (for Chinese investors, a cultural affinity and proximity to Chinese infrastructure is also a factor in choosing Vietnam).

This is also where Indian SMEs are most disadvantaged vis-vis China as they are unable to navigate cost-effectively the over 1,980 central and state regulations for manufacturing companies (as per a recent FICCI report).

India needs a more globally competitive manufacturing sector. Tariff protection without a clear endgame has the danger of making us less, and not more, competitive. Supporting this trade policy with a CoDB-driven industrial policy that sets a time-bound plan to improve our ranking to the top-five will be critical if we want to achieve our aspiration of becoming a global manufacturing hub.

Source: financialexpress.com- Feb 07, 2020

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Stricter origin norms compliance: Commerce department to examine FTAs

The commerce department will examine procedures that are part of India's existing free trade agreements (FTAs) in the wake of compliance with rules of origin being tightened. The Finance Bill has proposed an omnibus process but individual pacts need to be studied to check how the proposed Customs Act amendment can take effect, officials said.

A new chapter in the Customs Act on administration of rules of origin under trade agreements gives the government the power to suspend or refuse preferential tariff treatment in case of incomplete information or verification and non-compliance, respectively. A number of these provisions had only been detailed via notifications.

The rules of origin are criteria to determine the source country of a product, based on which they either get tariff concessions or are subjected to duties. The move is aimed at preventing abuse of the FTA route using documents purporting to show that the goods came from a country with which India has a trade pact and taking advantage of lower tariffs.

"The budget has prescribed an omnibus procedure and we will examine every free trade agreement for their procedures on claiming preferential tariff benefits," said an official aware of the development.

The Act also empowers Indian customs authorities to question the valuation of imports under FTAs for up to five years with the government proposing a significant shift in the domestic framework of rules of origin to tackle large scale imports.

India's current rules allow importers claiming FTA tariffs and certifying offices to retain documents supporting origin certificates for at least five years.

Source: economictimes.com- Feb 07, 2020

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Govt wary of goods imported under 'others' category

Trade and industry must revisit the classification and clarify their position soon, else the goverment may bring in licensing regime for all items imported under 'others' category

Classification of goods has always been a matter dispute between the taxpayers and the Department. While the Department intends to classify the goods, which yields highest tax collection, the taxpayers seek to classify the goods which results in lowest tax outgo. Such kind of disputes are not confined to India, rather it is a worldwide phenomenon.

In order to achieve uniformity in classification of the goods in cross-border transactions, the World Customs Organisation (WCO) developed the Harmonised System of Nomenclature (HSN). HSN is an internationally standardised system which codifies the goods in XXI Sections and 98 Chapters.

The goods are classified in HSN at six digits level and the member-countries are permitted to sub-divide the HSN beyond six digits according to their own needs. Further, section notes, and chapter notes are also incorporated in HSN for proper understanding and classification of goods under various headings and sub-headings.

India is a member of WCO and has adopted eight digits level classification whereas the US follows classification at 10 digits level. While the endeavour is to provide specific classification of all the goods, enough flexibility has been provided in the tariff to classify the goods which are not covered specifically in the tariff item under the category called ‘others’.

The goods are classified in ‘others’ category by applying General Rules of Interpretation and respective section notes and chapter notes. The ‘others’ category is, therefore, residual in nature.

Trade notices

Of late, the DGFT has issued various trade notices objecting the classification of goods under ‘others’ category.

The notices have advised the taxpayers to use the said category carefully and in the event the importers continue to mis-classify the goods, the government may bring in licensing regime for all the items imported under ‘others’ category by shifting these items from ‘free’ to ‘restricted’ category.

The trade notices have instructed the members of trade and industry to file representation latest by February 16, 2020, if the existing tariff headings are not sufficient to cover the goods imported by them.

Seriousness of this issue can also be seen from the fact that Commerce and Industry Minister Piyush Goyal has echoed the above message in one of his interviews: “We have a big problem in our imports in the category called ‘others’… In that ‘others’ category, all sorts of stuff is being put in and imported into the country.”

From this it is clear that the government is micro-scoping the usage of residual entry by the trade in cross-border transactions. Industry has been classifying goods under ‘others’ category for a very long time. In fact, the Department has been using the ‘others’ quite often in various tax disputes.

The automobile sector

For instance, one can refer to the recent controversy in the case of the automobile industry wherein the Department has been trying to classify most of goods used in the automobile sector under ‘others’ category of CTH 87.08 even though the goods are specifically covered under other tariff headings.

In such a scenario, the industry is likely to face another challenge in the days to come. Unlike in the developed countries, in India there is hardly any Advance Ruling mechanism under Customs which is in place to provide timely and necessary solution to the industry.

Though on record there exists an Advance Ruling Authority in Customs, however, such an authority is not functional most of the times. Therefore, the industry cannot rely on this mechanism to get its classification re-validated from government sources.

It is quite possible that the government may have some reason to question the classification under 'others', however such an action of the government for the entire trade may put genuine assessees under the vicious circle of litigation.

Moreover, threatening to shift the goods from 'free' to 'restricted' category, clearly shows the intent of the government. to bring back License Raj, which is certainly not aligned with the government's commitment of 'ease of doing business' in India.

On the one hand, Finance Minister Nirmala Sitharaman in her Budget Speech mentioned that there would not be any "tax terrorism" in the country and, on other hand, such kind of provisions are certainly not less than "tax terrorism".

Given this, it is time for the industry to proactively revisit the classification adopted for its cross-border transactions, re-align the classification wherever required and make suitable representation before the government within the specific time limit to avoid any future litigation on this front.

Source: thehindubusinessline.com- Feb 06, 2020

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India approves setting up ₹65,000-cr Maharashtra port

The Indian cabinet yesterday approved in principle setting up a major port at Vadhavan near Dahanu in Maharashtra at a cost of ₹65,544.54 crore. The decision was taken at a meeting chaired by Prime Minister Narendra Modi. A special purpose vehicle (SPV) will be formed with the Jawaharlal Nehru Port Trust (JNPT) as the lead partner to implement the project.

The equity participation with JNPT will be equal to or more than 50 per cent, according to an official statement.

The SPV, the statement said, will develop the port infrastructure, including reclamation, construction of breakwater, besides establishing connectivity to the hinterland, and all the business activities will be undertaken under public private partnership (PPP) by private developers.

“With the development of Vadhavan port, India will break into the countries with top 10 container ports in the world," it said.

Container traffic in the JNPT hinterland is expected to grow from 4.5 million 20 foot equivalent units (MTEUs) currently to 10.1 MTEUs by 2022-25 when JNPT's potential will be fully exhausted.

Source: fibre2fashion.com- Feb 07, 2020

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Maharashtra govt to guarantee Rs 1,800cr loan by cotton body

The Maharashtra government on Wednesday agreed to guarantee a Rs 1,800-crore loan required by the Maharashtra State Cooperative Cotton Growers Marketing Federation (MSCCGMF). The state cabinet gave its nod to a proposal providing government guarantee for the loan required by the federation, an official statement said.

The government guarantee will be for the Rs 1,800- crore loan the federation will take from Bank of India at 7.75 per cent per annum interest rate for ensuring timely payments to farmers on purchase of cotton in 2019-20 season, it said.

The statement said 60,000 quintal to 80,000 quintal cotton is being purchase daily on an average in the state, a leading producer of the commodity.

At this rate, the federation is expected to purchase 30 lakh to 35 lakh quintal cotton from farmers in the current season and for this a sum of Rs 1,800 are required, it said.

Source: devdiscourse.com- Feb 05, 2020

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Gartex Texprocess India to make debut in Mumbai

Gartex Texprocess India, the tradeshow on garment textile machinery which is held annually in New Delhi, is all set to make its debut in Mumbai in March, owing to demands from the Indian and overseas' garment and textile manufacturing industry. This edition will complement the New Delhi edition, reaching out to smaller companies and start-ups in the region.

The Mumbai edition of the show is scheduled to be held from March 19 to 21, 2020. Exhibitors, who have signed up for the event, are all geared-up to present the latest innovations, machines, plants, processes and services to various stakeholders in the industry, including manufacturers and suppliers.

The highlights of the show include 'Garmenting & Apparel Machinery' that will provide insights on technological developments in the garment and apparel manufacturing sector. Innovative products and technologies, defining latest trends in the industry, will be showcased at the four concurrent shows - Denim Show, India Laundry Show, Fabrics and Trims Show and Digitex Show during the three-day event.

The event is also aimed at providing business opportunities to the international and national suppliers as well as trade visitors through networking sessions with industry experts and engaging in investment opportunities during the show.

As per India Brand Equity Foundation's latest report, exports in the textiles and apparel industry are expected to reach $ 300 billion by 2024-25, resulting in a tripling of Indian market share from 5 per cent to 15 per cent.

Also, with government's efforts in developing a competitive textile sector in India through its latest Textiles Policy 2020, the demand is expected to rise even further.

Keeping in mind the new developments, the organisers of Gartex Texprocess India - Messe Frankfurt Trade Fairs India and Mex Exhibitions - added the new location 'Mumbai' this year with the primary objective of reaching out to major textile hubs of West and South India. This edition will complement the existing New Delhi edition while also increasing the expanse of the show by reaching out to smaller-sized companies and start-ups in the region.

Raj Manek, executive director and boardm, Messe Frankfurt Asia Holdings said: "Even as the domestic consumption is surging, India's textile and apparel exports are expected to lead to a tripling of the country's market share globally. Witnessing the tremendous opportunities at the first unified Gartex Texprocess India, the industry strongly hinted at the show's potential as an instrumental venue for collaborations.

As organisers, it is our combined endeavour to strengthen our exhibitors' reach in their target markets or potential areas of their business interest, and therefore we decided to bring the platform to Mumbai so as to provide stakeholders greater accessibility to their buyers in the western and southern regions."

Gaurav Juneja, director, Mex Exhibitions said: "Gartex Texprocess India is a great platform that has been instrumental in unifying various stakeholders within the garment and textile manufacturing supply chain.

Now the show is being held for the first time in Mumbai and we are immensely hopeful that this edition will diversify the reach and expanse of this highly popular trade event. Our association with Messe Frankfurt Trade Fairs India has been especially fruitful in taking the show towards the desired direction. It is our combined endeavour to provide a lot more opportunities for the garment and textile manufacturing industry, and we will strive to work towards that."

Source: fibre2fashion.com- Feb 06, 2020

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