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# IBTEX No. 72 of 2018 April 07, 2018

USD 64.92| EUR 79.84 | GBP 91.45 | JPY 0.61

## Cotton Market (6-4-2018)

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

| Rs./Bale | Rs./Candy | USD Cent/lb |
|---|---|---|
| 19099 | 39950 | **78.22** |

**Domestic Futures Price (Ex. Gin), April**

| Rs./Bale | Rs./Candy | USD Cent/lb |
|---|---|---|
| 20490 | 42860 | **83.92** |

**International Futures Price**

| | |
|---|---|
| NY ICE USD Cents/lb ( May 2018) | 82.57 |
| ZCE Cotton: Yuan/MT ( Jan 2018) | 14,725 |
| ZCE Cotton: USD Cents/lb | **90.26** |
| **Cotlook A Index – Physical** | **90.20** |

**Cotton guide:** The entire financial market is into a very dicey state due to Trade War between US and China. The global trade was expecting a peaceful call to be taken for better health but by then the US president has instructed additional $100 billion tariff against China. The repercussion is yet to be felt on today's trade and that may prolong to next week as well. This clearly defines a persistent volatile trend in the market. Coming to Cotton the Wednesday's massive loss was eroded on Thursday. The ICE cotton for May expiry at ICE posted a positive close at 82.15 up 215 points from previous close.

The subsequent contracts have also traded positive. However we will have to see how the today's trade and direction forms out post the US call. From the price perspective it had breached 81 cents a very critical support so it plunged to 78.60 cents very quickly. However the same has now returned above 82. So we consider 81 cent per pound again a strong support level and if market holds that then it may push price to move back higher towards 84+ cents per pound.

Nonetheless as said above we wouldn't rule out the volatility in the market. In fact the trading volumes are large this week higher than the previous week's average daily volume. This week we have seen 90K, 65K and 50+K contracts kind of daily volume with rising open interest. This suggest market players are active in the market amid uncertainty is prevailed.

Further on the cotton yet another weekly robust export sales data came from the US. The combined net sales stood at 422,600 bales. For reference total sales this year so far is 1,54,35,500 bales up by 2.3 million bale same week last year.

We have 17 more weeks left for the season to end. Overall we are expecting a very good year of exports from US. However remaining few weeks would be critical to watch out and emphasize on the possible cancellation of orders amid the ongoing trade war. Remember out of above mentioned sales only around 83 Lakh bales have been shipped. This could be a challenge for US if large orders get cancelled in next few weeks. Post the markets were closed the weekly CFTC report was released which shows on call sales stood around 156K contracts marginally down where on call purchases rose to 44K contracts.

This data does not indicate much at this current scenario. We believe post the May expiry a better clarity can be understood on the market. For now cotton is seen trading around 82 cents. We expect a wide trading range of 79.80 to 84 cents for the day amid higher volatility. On the domestic front S6 variety price has eased slightly from Rs. 40900 to Rs. 40650 per candy although arrivals have declined.

We believe cotton may continue to trade in the range of Rs. 40 to 41K per candy in the near term. On the futures front at MCX the April posted a close at Rs. 20520 up by 0.93% from previous close. We expect a price range of Rs. 20330 to Rs. 20700 per bale.

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

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# INTERNATIONAL NEWS

## USA: China's Apparel and Textile Imports Jump 22.2% in February amid Tariff Threats

Trade war or not, U.S. apparel and textile imports from China surged 22.2% in February to 2.54 billion square meters equivalent (SME) compared to a year earlier, according to the Commerce Department's Office of Textiles & Apparel.

The news comes as the U.S. and China have been volleying huge tariff threats at each other–and in the case of the U.S., against other countries and trading blocs, too–on a range of products.

Overall, industry imports increased 12.4% in February to 5.29 billion SME, with textile shipments rising 15 percent to 3 billion SME year over year, and apparel imports up 9.2% to 2.28 billion SME.

For the year to February, apparel and textile imports rose 7.1% to 10.9 billion SME, with apparel up 4.4% to 4.7 billion SME and textiles ahead 9.3% to 6.2 billion SME.

The overall U.S. trade deficit in goods and services increased 1.6% to $57.6 billion in February. February exports rose by $3.5 billion to $204.4 billion but were outpaced by a $4.4 billion gain in imports for the month, to $262. The U.S. trade deficit with China stood at $34.7 billion as of February.

With China still by far the top supplier of apparel and textiles to the U.S., all top 10 countries posted increases in imports except India, the second largest supplier for the category, which saw its shipments fall 0.8% to 404.7 million SME.

Cambodia, the ninth largest supplier, posted a gain of 22.4% to 96.9 million SME, and the eighth largest supplier, South Korea—with which the U.S. just renegotiated a free trade agreement—saw imports increase 17.5% to 135.4 million SME.

Among other top Asian suppliers, Vietnam's imports rose 5.7% to 399.7 SME, Bangladesh's shipments were up 5.1% to 215 million SME, Pakistan's increased 4.1% to 199.5 million SME and Indonesia's gained 1.7% to 141.8 million SME.

Rounding out the top 10 suppliers were North American neighbors Mexico and Canada, with which the U.S. is said to be closing in on a renegotiation of the North American Free Trade Agreement.

Mexico's imports increased 4.7% in the February to 203.4 million SME, while Canada's shipments rose 4.6% to 86.1 million SME.

Source: sourcingjournalonline.com- Apr 06, 2018

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## Global Western Wear Market to Reach $99 Million by 2023

Demand for western wear is up and the market is expected to see continued growth.

According to a new report published by Allied Market Research, the global western wear market is expected to reach $99.4 million by 2023, registering a compound annual growth rate (CAGR) of 4.8% during the period.

The report, Western Wear Market by Type, Distribution Channel, and End User: Global Opportunity Analysis and Industry Forecast, 2017-2023, said Europe is expected to dominate through to 2023, growing at a CAGR of 3.8%, in terms of value. It will maintain the dominant position it gained in 2016, when it accounted for three-sevenths share of the total $71,132 million revenue.

However, the biggest growth will come from the Asia-Pacific. In 2016, China and Japan collectively accounted for about half of the total Asia-Pacific western wear market.

Now the report says the region is expected to register the highest CAGR, 6.2%, in terms of value—with India expected to grow 12.2%.

The large fashion-conscious youth populations in Asian countries like China and India are expected to lead the increased demand for western wear. And women's western wear will outpace men's.

"Fashion designers have always been experimenting with women's fashion in terms of material, design, and pallette," the report noted. "Women held a dominant position in 2017 and would continue to maintain the lead over the forecast period."

Western wear is an apparel segment derived from American Old West region of the 19th century, known for comfort, durability and variety, which includes men's and women's jeans, T-shirts and jackets. According to the report, an increase in disposable income has fueled demand for the clothing, as has an increase in an fashion conscious youth consumers.

Major players in the western wear space include Benetton, Diesel, Gap, Forever 21, Inditex, Bestseller, Marks and Spencer, H&M and Mango—and these companies could see a boost in sales on the market growth. On the higher end, brands like Gianni Versace, Chanel and Hermès are counted as key in the space, the report noted.

Source: sourcingjournalonline.com- Apr 06, 2018

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## US Cargo Imports Increase but Potential Trade War Threatens Outlook

Cargo imports at major retail container ports in the U.S. are expected to grow 5.8% year-over-year in April, but they could be threatened down the road if the developing trade war between the U.S. and China continues to escalate.

"If tariffs ultimately lead to a reduction in imports and exports, that will put dockworkers and countless others in the supply chain out of work, Jonathan Gold, vice president for supply chain and customs policy at NRF, said in the monthly Global Port Tracker report released Friday by the National Retail Federation and Hackett Associates.

"American consumers and workers should not be punished for China's wrongdoing."

In recent weeks, the U.S. and China have threatened to impose hundreds of billion of dollars in tariffs on each other's imports based on what the Trump administration sees as unfair trade practices by China.

Ports covered by the Global Port Tracker handled 1.69 million Twenty-Foot Equivalent Units (TEU) in February, down 4.1% from January, but up 15.8% from a year ago.

A TEU is one 20-foot-long cargo container or its equivalent. The Global Port Tracker noted that the year-over-year numbers are skewed due to fluctuations in when Lunar New Year factory shutdowns occurred in Asia.

This year's holiday and closures began in mid February, while last year's started at the end of January.

March cargo shipments were estimated at 1.54 million TEU, down 1.2% percent year-over-year, while April is forecast at 1.72 million TEU, a 5.8% percent from last year.

May shipments are forecast at 1.82 million TEU, which would be a 4.1% gain; June is predicted to be at 1.83 million TEU, a 6.5% rise; July is expected to increase 4.5% to 1.88 million TEU and August cargo imports are seen rising 3.9% to 1.9 million TEU.

The first half of 2018 is expected to total 10.4 million TEU, an increase of 5.6% over the first half of 2017. The total for 2017 was 20.5 million TEU, up 7.6% from 2016's previous record of 19.1 million TEU.

The Global Port Tracker covers the U.S. ports of Los Angeles-Long Beach and Oakland, Calif,; and Seattle and Tacoma, Wash. on the West Coast; New York-New Jersey; Port of Virginia; Charleston, S.C.; Savannah, Ga., and Port Everglades, Miami and Jacksonville, Fla.; on the East Coast, and Houston on the Gulf Coast.

Source: sourcingjournalonline.com- Apr 06, 2018

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# Trade war or not, U.S. cotton exports set for banner year

The escalating U.S.-China trade dispute is unlikely to derail the stellar run for U.S. cotton exports this year due to robust demand, crop issues in India and lower synthetic fiber output from China, traders and analysts said this week.

The natural fiber came into focus in the dispute after Beijing proposed fresh tariffs on U.S. goods and commodities, including cotton and soybeans, following similar moves by the United States.

“It should be a zero-sum game in terms of trade, with U.S. cotton going to destinations other than China and competing countries taking more of Chinese market share,” said Beau Stephenson, cotton merchant at Dallas-based Omnicotton.

China, as a large producer of synthetic fabrics like polyester and nylon, is already dealing with problems of its own as the country has cracked down on pollution emitters, which include makers of synthetic fabrics. That could boost cotton’s market share among textiles, analysts said.

Market participants say the conflict could even fuel an acceleration in near-term U.S. shipments to China, in turn boosting 2017/18 exports. Last year was a multiyear high for U.S. cotton exports.

“If the U.S. government takes time to act, therefore delaying retaliatory actions by China, mills could rush to import as much as they can before the tariffs hit,” said Gabriel Crivorot, analyst at Societe Generale in New York.

Traders expect 2017/18 year crop exports to top a U.S. Department of Agriculture (USDA) forecast of 14.8 million 480-pound (218 km) bales and surpass last year’s exports of 14.9 million bales, the highest since 2005/06.

Total bales committed for 2017/18 now stand at about 16 million 480-pound bales. At 2.6 million or 16 percent, China accounts for the largest share of that figure, latest export sales data showed.

Overall, the superior quality of U.S. cotton would help mitigate any significant impact, analysts said, as it remains the most preferred variety.

"U.S. cotton is popular for a variety of reasons and it can find a home," said Louis Rose, director of research and analytics at Memphis, Tennessee-based Rose Commodity.

However, some analysts expressed caution over the longer-term economic impact from an escalation in the dispute between the two world powers.

"My main worry is that a trade war would push the global economy into recession," said Peter Egli, director of risk management at British merchant Plexus Cotton, adding that such a scenario could reduce cotton consumption.

The United States could benefit from problems in India, the second-largest exporter, where output is dropping due to a pest infestation.

The USDA sees global consumption at more than 120 million bales in the current crop year, levels not reached since 2007.

"As people move away from polyester and man-made fibers, I think cotton will continue to get a bigger market share of overall textiles," Omnicotton's Stephenson said.

Source: reuters.com- Apr 07, 2018

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## COTTON SPIN: The China Syndrome: A nuclear meltdown?

Back when I was in high school there was a movie called "The China Syndrome," about a nuclear meltdown. A few days ago, on April 4, the real country of China did something that started off looking like a nuclear meltdown of U.S. stock and agricultural commodity markets.

With a few more days of market reaction under our belts, it may not turn out to be so bad.

What China did was include cotton and soybeans on a list of 106 U.S. export commodities on which they are threatening to impose 25 percent tariffs. This is in addition to 128 other U.S. export products previously listed by China.

These announcements have been unveiled in apparent tit-for-tat reaction to U.S. government announcements of tariffs on Chinese products imported into the U.S.

China's April 4 announcement that included U.S. cotton was initially met by a 3-cent plunge in the overnight trading of nearby ICE cotton futures contracts, which only recovered a little bit in that session, settling down over 2 cents. The U.S. stock market similarly was poised to open down 500 points, but ended up rallying 700 points to close up 230 points. In subsequent days the old crop ICE futures contracts rose back above 82 cents.

## MARKETS HATE UNCERTAINTY

Why all this volatility? The first explanation involves the old adage that markets hate uncertainty. Waking up to a dramatic announcement about potentially changing fundamentals is a shock, so it wasn't surprising to see a sharp drop in stock and commodity futures markets.

But, what about the actual risk to fundamentals? On the face of it, a 25 percent Chinese tariff on U.S. cotton imports would make U.S. cotton relatively more expensive than its competitors. I consider our relevant competitors to be suppliers of high quality, machine harvested cotton like Australia and Brazil.

So, the U.S. could lose market share to China. Does that imply an overall reduction in U.S. exports? The answer is — surprise! — a bit complicated.

If it really happens, the imposition of a tariff might result in some short-term disruption of the export market. New export sales of U.S. cotton to China might drop off. Existing sales to China might be cancelled. But, after some adjustment, the overall effects may not be as bad.

## RESHUFFLING OF EXPORTS

First, if Australia and Brazil increase their exports to China, that might create a gap that the U.S. could fill in other countries that were expecting to import Australian or Brazilian cotton. This suggests that the effect of bilateral tariffs may simply be a reshuffling of cotton exports, not a reduction.

There is a recent precedent for this kind of reshuffling in the world cotton supply chain. After 2011, the Chinese disrupted their own domestic cotton industry with high-priced purchases of subsequently unavailable cotton for their reserve buildup. Chinese textile mills were having difficulty sourcing affordable cotton supplies.

The result was a shift to increasing cotton imports by Vietnam, Indonesia, Pakistan, and other countries, which then exported duty-free cotton yarn to China. The same kind of pattern shift could keep U.S. exports from ultimately declining in the wake of a bilateral Chinese tariff on U.S. cotton imports.

Because U.S. cotton futures did not crash, I am assuming that the Chinese announcement of possible tariffs has not spooked the hedge fund longs who still own a lot of ICE cotton futures.

These fund managers, like other traders on Wall Street, may be assuming that all the tit-for-tat announcements are just posturing for the eventual negotiation between the U.S. and China on larger trade issues. Let us hope that is the case.

## GEOPOLITICS AND ECONOMICS

These kinds of risks are something that the U.S. cotton industry has to live with, because it is part of a global market, which includes geopolitics as much as economics.

The unpredictability of such things highlights the fact that nobody ultimately knows which way cotton prices will go. The only thing you can know for sure is whether a forward contract or a hedge on today's futures price will be a profitable — or at least survivable — price floor.

Source: southwestfarmpress.com- Apr 06, 2018

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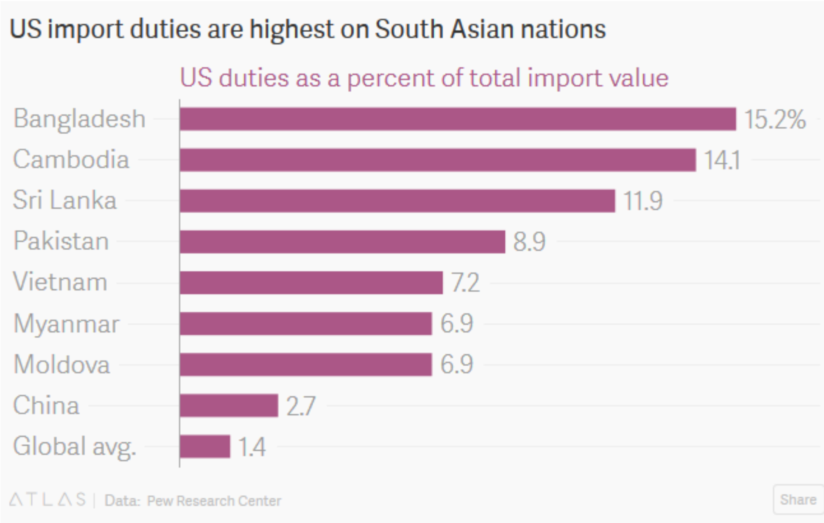
# The US imposes its highest tariffs on Bangladesh and other poor countries

The US-China trade spat keeps escalating. Donald Trump is now threatening another hefty round of tariffs on Chinese products, after China retaliated to a previous round with its own trade barriers against US goods.

US retailers have expressed concern about the impact the tariffs might have on their bottom lines—and their consumers' wallets. "These tit-for-tat trade actions could spell disaster for the US economy and make it harder for Americans across the country to afford everyday products and basic necessities," Matthew Shay, president and CEO of the National Retail Federation, said in a statement.




It makes sense that retailers are worried about the impact of the US-China standoff. But it might be surprising to learn the highest US tariffs aren't against China, but its poor Asian neighbors. Countries such as Bangladesh and Vietnam export large volumes of clothes and shoes to the US, and those are items the US taxes at disproportionately high rates.

Pew Research Center analyzed the data from the US International Trade Commission and found that Bangladesh, Cambodia, Sri Lanka, Pakistan, Vietnam, and other such nations face the highest import duties because of their substantial trade in clothing and footwear. Much of this trade flows into the US, which now imports more than 97% of its clothing.

Typically, items the US imports in large volumes face fairly low duties, but as Pew has previously pointed out, clothes are the main exception. The situation is so pronounced that sweaters—yes, sweaters—generate more tariff revenue than any incoming product except personal cars.

“Nearly all Bangladeshi imports were subject to US duty,” Pew said, “and the tariffs on them were equivalent to 15.2% of the total value of that country’s shipments to the US—the highest such average rate among the 232 countries, territories and other jurisdictions in the ITC database.” In 2017, Bangladesh’s exports to the US totaled $5.7 billion, and 95% of them were clothes, shoes, headgear, and related items.

The reason for the high tariffs is classic—and many might say outdated—protectionism. As the Washington Post explained in a 2013 story (paywall), even though the US textile industry has dwindled to a tiny share of what it once was, the small manufacturers that remain exert a strong hold on their political representatives, who fight for them in trade deals.

“It’s a classic story of the collective action problem,” Kim Elliott of the Center for Global Development told the Post. “Representatives from those districts are going to fight very hard. And you or I as consumers would get some benefit from lower tariffs, but we’re not going to vote on it. It’s that imbalance of interests.”

These policies have done little, if anything, to keep jobs making shoes or clothes in the US. But consumers feel their impact every time they buy a pair of foreign-made sneakers or jeans, whether they realize it or not. Meanwhile, factories in countries like Bangladesh are under intense pressure to keep prices low so stores stay flush with cheap goods, leading at times to unsafe conditions for workers.

Big brands, retailers, and the groups that represent them, such as the Footwear Retailers and Distributors of America, have battled against these duties for some time. Now they’re speaking out against the tariffs Trump has aimed at China over its theft of US intellectual property. They don’t want to see duties on Chinese goods start to look more like those from Bangladesh.

Source: qz.com- Apr 06, 2018

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# Pakistan: The IMF: our inevitable recipe

The economy is in a tight spot and the government seems to be at a loss on how to dig it out of this situation on its own. The depreciation of the rupee – twice in three months – after nearly four years of managed exchange rate stability is only a kernel of the tailspin into which the economy has been thrown.

We can see with half an eye that another agreement with the International Monetary Fund (IMF) is the inevitable recipe. For some nations, breaking the begging bowl is nothing more than a pie in the sky.

In the first eight months of Financial Year (FY) 2018, the current account deficit reached $10.82 billion as compared with $7.21 billion during the corresponding period of FY 2017.

The FY 2018 (July-February) current account deficit is underpinned by $19.69 billion in the merchandise trade deficit ($15.97 billion in exports and $35.66 billion in imports), and $3.53 billion trade in the services deficit ($3.43 billion in exports and $6.97 billion in imports). The $12.83 billion in remittances eased the pressure on the current account balance.

The IMF's latest report on the Pakistan economy projects a current account deficit worth $15.7 billion (4.8 percent of GDP) for the entire financial year, which will be $3.3 billion higher than what it was in FY 2017 ($12.4 billion or 4.1 percent of GDP). The Fund forecasts a 10 percent export growth and 10.2 percent import growth for the entire FY 2018. This means that exports will reach $22.46 billion while imports will increase to $58.22 billion, resulting in a trade deficit worth $35.76 billion as compared with a deficit of $32.46 billion recorded during FY 2017.

During FY 2018 (July-February), exports and imports have risen by 11.66 percent and 17.9 percent, respectively, on a year-on-year (YOY) basis. Therefore, if we assume that exports and imports will maintain the same growth momentum for the entire FY 2018 that was registered during the first eight months, the year will end with $22.80 billion in exports, $62.02 billion in imports and the highest-ever trade deficit of $39.22 billion. These projections will also increase the current account deficit in FY 2018.

A country running a current account deficit is a net importer of capital. The capital may be imported in the form of non-debt creating instruments – such as foreign direct investment (FDI) – or debt-creating instruments – such as bilateral and multilateral loans and the sale of bonds (Euro bonds, for example). Over the years, Pakistan has only been able to attract gobbets of FDI inflows. Between FY 2013 and FY 2017, $8.85 billion was made inFDI, which amounts to $1.77 billion per annum on average. The situation has forced the government to rely on foreign credit to finance the current account deficit.

The result is a massive external debt, which has gone up in one year from $75.75 billion (as recorded on December 31, 2016) to $88.89 billion (as noted on December 31, 2017). This is in addition to Rs15.79 trillion in public domestic debt (as recorded on January 31, 2018), which is owed to domestic residents and institutions, and has been incurred to finance the budget deficit.

In 2018, Pakistan will start repaying the loan of $6.12 billion that it took from the IMF. This is likely to put pressure on the foreign exchange reserves (forex). On March 22, 2018, the liquid forex available with the central bank had come down to $11.77 billion. The meagre forex constrains the SBP's ability to intervene in the foreign exchange market to reduce downward pressure on the value of the rupee.

Elementary economics dictates that the difference between the savings and investment in an economy is equal to its current account deficit. As a result, Pakistan's economy, which invests more than it saves, runs a current account deficit and relies on foreign savings in the form of borrowing or FDI. In FY 2017, the gross domestic savings-GDP ratio was 11.7 percent, considerably less than the 15.8 percent gross investment-GDP ratio. The IMF's projected ratios at the end of FY 2018 are 12.2 percent for savings and 17 percent for investment.

Low real interest rates must take the flak for the low level of savings. The SBP has adopted a fairly lenient monetary policy for quite some time. A discount rate of six percent was maintained from October 2015 to May 2016. In June 2016, the discount rate was reduced to 5.75 percent, which was raised by a whisker to six percent in February 2018.

The latest monetary policy (April-May 2018) has persisted with the six percent discount rate even though the state of the economy warranted a higher interest rate. Low interest rates discourage savings and encourage spending. As a result, they contribute to trade deficits by driving up import demand.

Low domestic savings also indicate that the government has to rely on bank borrowing while financing fiscal deficit. During the first half of FY 2018, the federal government borrowed Rs573.93 billion from the banks out of the total domestic financing of Rs616 billion.

The bank borrowing is inflationary and raises the cost of doing business. Borrowing from the central bank increases money supply and drives up domestic demand, which encourages imports. Not surprisingly, the IMF has been critical of our lenient monetary policy as well as the manner in which our fiscal deficit is being financed.

After keeping the exchange rate stable for four years, the government allowed the rupee to depreciate by five percent first in December 2017 and subsequently in March this year. Before the depreciation in both cases, the general view was that the domestic currency was considerably overvalued, which discouraged exports and encouraged imports.

In the wake of the first depreciation, both exports and imports went up. However, exports had increased by 10.52 percent during the first five months of the current financial year (July-November) – well before the December depreciation.

The possible reasons were the generous rebates given to the exporters under the prime minister's trade enhancement package and the increase in international cotton prices. Since the textile and clothing sector has the lion's share in Pakistan's exports, downward or upward movements of world cotton prices bear strongly upon export receipts.

At the same time, exports grew 16.47 percent in February 2018 on YOY basis but declined by 3.5 percent as compared with what it was in January 2018.

It will, at best, be a conjecture to attribute export growth to rupee depreciation.

However, the IMF believes that exchange rate depreciation is a recipe for racking up exports and, thereby, ratcheting down the current account deficit. The depreciation may also set the stage for the resumption of IMF assistance.

Apart from the galloping current account deficit, our shrinking forex also resulted in the depreciation of our exchange rate. Owing to the limited availability of forex, the SBP was hard-pressed to maintain the existing exchange rate by pumping dollars into the market.

If the central bank or the government had not allowed the rupee to depreciate, the foreign exchange market would have seen an acute shortage of dollars and other hard currencies. How much the fall in the rupee value will serve as a catalyst to increase exports is anybody's guess.

The PML-N regime will be the second popularly-elected government on the trot to complete its tenure. It is also likely to become the second government to start and close its term with a credit agreement with the IMF – the actual signing of the agreement, as it happened in 2013, may be put off until the caretakers or the new government takes office.

In both cases, history will be made. The nation must brace itself for these twin historic events.

Source: thenews.com.pk - Apr 07, 2018

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# Swedish machinery makers to support Vietnam's growth

TMAS, Textile Machinery Association of Sweden, is now firmly established in Vietnam, which means that its advanced production technology, innovative solutions and equipment are here to help build Vietnam to be a leading textiles and garments manufacturer on the global arena, the association reports.

The Vietnamese textiles and garment industry has a history that dates back hundreds of years and is still one of the most important sectors of the country's economy. Today, there are over 6,000 textiles and garment manufacturing companies with about 2.5 million employees, making Vietnam the third top garment exporter in the world.

TMAS, Textile Machinery Association of Sweden, has established a local office in the 7th district of Ho Chi Minh City. Heading the office is Tran Phuoc Thanh, Business Development Representative for TMAS in Vietnam.

"We see our involvement in the Vietnamese textiles industry as just beginning. We have been steadily building business since early 2017. Our deep understanding of the market, knowledge and competence make us very positive about our plans for tapping into exciting new opportunities that will benefit our customers and ourselves. As well as help the local industry and communities to prosper," said Therese Premler- Andersson, Secretary General, TMAS.

TMAS provides customers with highly innovative products, including machineries, equipment and solutions to support our customers in their production processes.

All TMAS companies have representative and technical service worldwide to provide reliable technical support and after sales service at the right time. "This is key to why our customers stay with us well over time, and rely on us to help them grow and succeed," said Mr Tran.

"This makes it all the more essential for the technological advancements and innovative production processes to be introduced. Vietnam is poised for expansive growth and development, and TMAS member companies see the tremendous potential and the endless possibilities for adding value to an important local industry."

TMAS member companies are all well-established leaders in various areas of the textiles manufacturing process. The companies offer a combination of production expertise, textiles manufacturing knowledge, and superior products and services.

“The Vietnamese textiles industry will continue to grow as it shifts over to new technologies and automation. We will shift from lower end clothing items to high end fashion and top-quality garments. The coming years are going to be extremely important and interesting for the textile industry in Vietnam,” said Mr Tran.

TMAS president, Mikael Äremann was in Vietnam in early 2018, and is convinced of Vietnam’s growing importance as a major market for the innovative Swedish association.

“Our member companies are highly competent and quality focused. We work closely together to capitalise on our combined strength and resources. In this way, our customers benefit from operational synergies to achieve optimum levels of performance and efficiency.”

TMAS has a strong commitment to promoting environmental and social sustainability, whereby smart solutions are of the highest priority. The goal of all member companies is to achieve better performance and efficiency while maintaining the highest levels of quality.

TMAS will be present at SaigonTex 2018, the biggest expo for the textiles and garment industry in Vietnam. This major textile and machinery trade fair will be held from 11-14 April in Ho Chi Minh City, offering an opportunity to showcase innovative Swedish technology, knowledge and quality.

Source: innovationintextiles.com - Apr 05, 2018

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# Middle East emerging as a fashion hotbed

Thomson Reuters 'State of the Global Islamic Economy Report', recently reported that Muslim consumers' spending on apparels was the highest in 2015 around $243 billion and is projected to touch $368 billion by 2021. As per Pew Research Center, Muslims are the fastest growing religious group in the world, estimated to increase the population of Islamic Faith by 70 per cent in the next 40 years. In order to tap this opportunity, brands are increasingly finding means & ways to lure this tribe.

These reports point towards a critical aspect that age and location make a big difference when it comes to clothing in the Middle East, which is the largest region of concentration for the Muslim community. The way a certain set of people dress reveal not only their personality, but also the region and social class they belong to. In the Middle East, local traditions and Western fashion mix together to pave way for a new market which designers and brands are now eyeing with interest.

When comparing the variables of age, economic class, and education, not all Muslim consumers exhibit same spending habits or fashion preferences. Millennials and Gen Z consumers in the region are increasingly moving towards westernised clothing concepts, reserving more traditional styles for ceremonial and religious occasions, while the older generations continue the trend of traditional garments.

Within the regions also, from Morocco to Oman, the concepts of modest dressing and traditional garments deviate from one country to another and the clothing is also hugely dictated by the climatic conditions prevalent in that area. Many women in Lebanon do not cover their head, but majority of women in Saudi Arabia still have to wear a niqab. People living in the cities are more attentive to the latest fashion trends, while those in smaller towns and rural areas are still conservative, following traditional norms.

## Changing preferences

All Arab women wearing hijab seems to have become a stereotype today. Rising literacy rates and blurring boundaries point towards the acceptance of western clothing in these regions. Recently, Sheikh Abdullah al-Mutlaq, a member of the Council of Senior Scholars, and a senior member of top Muslim clerical body in Saudi Arabia, stated women need not wear loosefitting, full-length robes symbolic of the Muslim faith known as the abaya. Some Muslim countries have even gone ahead and started following top fashion trends. These include: Lebanon, Dubai, Jerusalem and Jordan. In Lebanon, women have little in common with the fashion preferences of Saudi Arabian and UAE women. They are open to experimentation with westernised fashion concepts. Women prefer more revealing clothes with shorter hemlines and longer necklines. In countries like Saudi Arabia, Kuwait, Bahrain, Qatar, Oman, and Yemen, the emphasis is more on the traditional dress.

**Multi-brand retailer stores expanding base**

The younger cohort (people under the age of 30) in the UAE, Saudi or Qatar makes up more than half of their entire population. There are some 350 million people in these countries who are still below 26. While a bigger purchasing power lies with the older generation. With the country boasting of a wealthy consumer base in terms of GDP per capita the opportunities for luxury clothing are immense.

Tapping huge potential, mainstream international brands have expanded their clothing lines into the Modest Fashion, launching across the region and also stocking modest fashion products. Brands such as Dolce and Gabbana, Burberry, Nike, and Uniqlo have introduced exclusive modest fashion ranges.

Meanwhile at International Fashion Weeks Muslim designers have emerged strong. All these together signal the dawn of a new era in fashion, which is set to challenge the conventional norms set by society over ages, and signals the advent of modest dressing.

The level of success achieved by designers such as Elie Saab, Zuhair Murad and Rami Al Ali, is testimony of their rich culture, talent and innovative skillsets. It’s about time to give greater emphasis on nurturing and developing younger designers.

Source: fashionatingworld.com - Apr 06, 2018

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# Pakistan: APTMA submits budgetary proposals for revival of textile industry

Export driven growth is imperative for creating jobs, reducing current account deficit and attracting local and foreign direct investment.

This was stated in budgetary proposals sent to the federal policy-makers for incorporation in the budget 2018-19 by the All Pakistan Textile Mills Association.

The proposals added that the government needs to embark on three-pronged strategy that includes availability of electricity and gas, tariff rationalisation of the textile value-chain and encouragement of new investment to create exportable surplus.

The textile industry stakeholders further said that availability of energy at affordable cost could be a stepping stone for reducing the cost of doing business. Currently, electricity cost at Rs.11.40/kWh is unrealistically high and is inflated due to elements of cross subsidy and theft in the system.

Removal of these loading factors will make electricity available at Rs7/Kwh. This reduction obviously will incur no loss to the government rather will streamline generation and distribution of electricity.

Punjab, which is the principal hub of the textile industry, is getting gas at Rs.1300/MMBtu, whereas, for the rest of the country, the same is available at Rs.600/MMBtu. It will be in the fitness of things, if it is made available at the same rate in whole of the country.

It is quite surprising that FBR is collecting taxes on raw materials used in the manufacturing of manmade yarn and making yarn price unviable. The government may take other measures to provide protection to local manufacturers of raw material rather than taxing raw material, which is contrary to the scheme of Custom tariff.

APTMA considers it necessary to provide incentives to farmers in order to enhance cotton productivity. Instead of imposing duty on import of cotton, FBR should zero rate inputs of cotton like fertilizer and electricity.

The duty on cotton could only make a case if domestic cotton production was enough to meet local demand for cotton.

The government is aware that the world is rapidly switching over to manmade fiber and to follow the global trend the government would have to create space for reducing the cost of staple fiber through removing the custom duty, which is in excess of 10%.

Similarly, the increasing trend in the import of synthetic yarn is adversely affecting its local production. Imposing 15% Regulatory Duty on its import will provide some breathing space for its local production.

The rationale of zero rated sector means ‘no tax’. It hardly makes sense to subject any of the zero-rated sectors to 1.25% turnover tax. This needs to be brought to zero as currently it is leading to recurring losses. Presently, Aptma is seeing that corporate tax is being slashed the world over. As such, its maximum rate should be fixed at 25% in the forthcoming budget.

The government announced in 2016 to zero rate fuel, however, due to cumbersome procedures this incentive was a nonstarter. The FBR needs to streamline and expedite zero rating on the pattern of Expeditious Refund System.

Strangely, FBR has disallowed tax adjustment on purchase of packing material and office equipment. Nowhere in the world in the VAT regime is anything used in manufacturing that is not entitled to adjustment. For this purpose, the government needs to delete such exclusions otherwise the buyer may switch over to informal market for buying without payment of tax.

It has also been found that non-payment of refunds and duty drawbacks has aggravated the liquidity crunch of manufacturers. The FBR needs to put in place an automated procedure for upfront payment of duty drawback as well as refund of sales tax and income tax.

The export led growth package announced by the government in January 2017 still faces bottle-necks and has been unable to see the light of the day. Package delayed is package denied and as such government needs to make allocation of funds in the budget for the State Bank of Pakistan to make immediate payment on realization of export proceeds.

The whole chain of local manufacturers that constitutes the textile sector sells goods directly to exporters. Facilities such as refunds and Long Term Financing Facility (LTFF) which are available to exporters should be extended to indirect exporters which is the standard practice even in developed countries including the European Union. This will encourage sale within the value-chain for producing Textile goods meant for export, Aptma said.

Source: nation.com.pk - Apr 07, 2018

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## Vietnam: EVFTA to boost exports of textile producers

The Europe–Vietnam Free Trade Agreement (EVFTA) is expected to create momentum for the domestic textile industry to develop in the future, experts said.

Negotiations of the EVFTA is in the final stages and, with the goodwill of the two sides, the agreement is expected to be finalised this year, according to Deputy Prime Minister Vuong Dinh Hue

When the EVFTA is signed, the export tariff to the EU will reduce to zero from the current high rates of 7-17 per cent, said Vu Duc Giang, chairman of the Textile and Apparel Association.

Therefore, the growth rate of garment exports from Vietnam to the EU market is predicted to reach 7-8 per cent per year. In 2017, Vietnam's textile and garment export turnover reached US$31.16 billion, a year-on-year increase of 10.23 per cent, Giang said, including $3.79 billion from the EU, a year-on-year surge of 6.3 per cent.

### $35-bn target

The target of $35 billion for 2018's exports is feasible as a result of the major role played by the free trade agreements in the development of garment exports.

In addition, an optimistic EU economic outlook is also a positive signal for the development of the local textile and apparel industry.

Therefore, the EU - the second largest import market of the textile and garment sector, after the United States - is expected to help the local textile and garment industry grow strongly this year, he said.

Viet Dragon Securities Joint Stock Company (VDSC) commented that in the case of stability in the global economy, especially in the EU, the difficulty associated with having orders similar to 2016 would not be repeated, reported ndh.vn online newspaper.

VDSC said companies that will likely have high turnover in garment exports to the EU market are Saigon Garment Manufacturing Joint Stock Company, TNG Investment and Trading Joint Stock Company, Garment 10 Corporation and Viet Tian Garment Joint Stock Company, with high growth in export orders compared with other firms.

Vo Van KiMeanwhile, Nguy?n Th? Thu Trang, director of the WTO Integration Centre under the Vi?t Nam Chamber of Commerce and Industry, said it is not easy to make use of opportunities offered by the EVFTA because the local garment industry must deal with many technical barriers for its products exported to the EU, including standards of production, packaging and labeling.

Local businesses can overcome tariff barriers, but it is unlikely to overcome technical barriers without extensive preparations because the EU is well known for being a fastidious market, Trang said.

In particular, local exporters will face difficulties in meeting the requirements of the rules of origin. At present, most textile materials from Vietnam’s textile and garment industry do not originate from EU member countries, so they cannot take advantage of the preferential tariffs.

She said the greatest challenge for the domestic textile and garment industry in the coming period is the development of domestic materials. This is also an opportunity to attract foreign investors to take full advantage of the EVFTA.

Source: nationmultimedia.com - Apr 07, 2018

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## NATIONAL NEWS

## Cotton fibre procurement by India's CCI rises eight-fold

Higher price volatility resulted in state-owned Cotton Corporation of India (CCI) recording an eight-fold rise in fibre procurement fiscal 2017-18.

It procured 1.2 million bales (of 170 kg each) of cotton fibre under minimum support price (MSP) and commercial operations in the last fiscal compared to 150,000 bales in 2016-17. A third of the total was MSP buying.

The cotton season is coming to an end and CCI plans to buy another 200,000 bales before that, according to a report in a top Indian business daily.

Private procurers had started matching the post-January price offers by CCI, resulting in the level staying high.

The state body then auctions the natural fibre for textile mills at the market price. The price began recovering since January, to trade above the MSP.

CCI estimates the output at 36.2 million bales for the coming year, 0.5 million less from its last month's estimate of 36.7 million.

Total output for 2016-17 is estimated at 33.73 million bales.

Source: fibre2fashion.com - Apr 07, 2018

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# E-way bill: GST authorities clear traders' misconception

The misunderstanding of textile goods transporters on transporting textile goods valued below Rs 50,000 only through e-way bill was cleared at the meeting convened by the Federation of Surat Textile Traders' Association (FOSTTA) with senior authorities of the Goods and Services Tax (GST) here on Thursday

With a view to solve misinterpretation of GST Council's decision on e-way bill, FOSTTA had convened a meeting with textile transporters and senior authorities of the GST on Thursday.

The issue of transporters asking for the e-way bill from textile traders for goods valued below Rs 50,000 was discussed and resolved.

FOSTTA office-bearers said the GST Council has decided during the meeting on March 10, 2018, that goods valued below Rs 50,000 will not have to be furnished e-way bill for transportation.

However, textile goods transporters were not taking the delivery of goods without e-way bill, even for the goods valued at Rs10,000.

The GST Council has made it mandatory for a registered person to generate an e-way bill only if the value of consignment exceeds Rs 50,000. The provision of the sub-rule (7) of rule 138 has been deferred temporarily.

FOSTTA secretary Champalal Bothra said, "We had invited senior GST officers for the meeting and to dispel the misunderstanding prevailing among transporters for transporting consignment below Rs 50,000 value.

Now, things have become clear and the transporters have agreed to transport goods as per the decision of the GST Council."

Source: timesofindia.com - Apr 07, 2018

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# US-China tiff to help Indian farmers

***Beijing needs to import 80 lakh bales of cotton from US.***

India, the world's second-biggest cotton exporter, is hoping to treble shipments of the fibre to China next year as Beijing seeks to replenish stockpiles and imposes a 25 per cent import tax on cargoes from the United States.

Despite India's efforts to grab a bigger piece of the Chinese market, cotton from the United States, the world's biggest exporter, has held sway for the past few years. But China's announcement that it will impose tariffs on 106 US commodities, including cotton, could now tilt the balance in India's favour.

"China's move to impose duty on US cotton shipments will help us," Atul Ganatra, president of the Cotton Association of India, said.

India is looking to sell 25 lakh to 30 lakh bales, each of 170 kg, to China in the next season beginning in October, up from around eight lakh bales of expected exports in the 2017-18 marketing year, Mr Ganatra said.

China's decision to slap the 25 per cent import tax on cotton supplies from the United States comes as Beijing's own stockpile is depleting fast. Its total imports are expected to rise 38 per cent to 80-90 lakh bales in 2018-19 as it needs to shore up depleting domestic reserves.

"India has always managed to grab at least 25 per cent of China's total cotton imports," Mr Ganatra said. It was too early to know the exact impact of China's tariff on US cotton, but India's exports could reach up to 30 lakh bales, he said.

During the current 2017-18 year, China is scheduled to import 25 lakh bales of cotton from the US. Other suppliers include Brazil and Australia.

China produces about 3.2 crore bales of cotton and its textile mills consume around 4.5 crore bales, allowing imports to meet the shortfall. "After large-scale imports, China was sitting on a stockpile of about 6 crore bales four years ago, which is now likely to come down to 1-1.5 crore bales by the end of this year, giving India a chance to raise its exports," Mr Ganatra said.

India benefits from geographical proximity to China compared to other competitors.

As well as lower freight rates, shipments from India reach China in about two weeks compared to an average of three to six weeks from other suppliers, said Chirag Patel, chief executive of Jaydeep Cotton Fibres Pvt Ltd, a leading exporter.

"There is little room for Chinese production to go up and significant amounts of stocks from Chinese stockpiles are of poor quality. It has no option but to ramp up imports," said a Singapore-based dealer with a global trading firm.

Source: asianage.com - Apr 06, 2018

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## Indian ports: Victim of inward vision?

*It is well known that India's domestic infrastructure is not up to the global standards. It is also a common knowledge that low quality infrastructure raises business costs and reduces global competitiveness.*

Despite efforts to improve infrastructure for several years, the results are still not enough. This is evident from India's low global rank in ease of trading across borders. It is also evident from the challenges India is facing in developing a global maritime hub through the port-led development initiative of 'Sagarmala'. Ports integrate host countries with global production networks.

Countries with high shares in global goods trade, or having trade as a major source of their national incomes, have no alternative other than having efficient ports. Depending on the size of the country's coastline and degree of integration with regional and global economies, ports play multiple roles.

These include not just facilitating exports, but also supplying imported resources and commodities to their hinterlands. Some ports specialise in trans-shipment and are vital for enabling cross-continental traffic and smooth functioning of global value chains.

Singapore, Hong Kong, Shanghai, Busan, Jebel Ali and Colombo are some examples. India is yet to develop major trans-shipment ports. Vallarpadam in Kochi was supposed to be a major trans-shipment port, but hasn't got going. Its trans-shipment container terminal is functioning at just around half of the installed capacity. More trans-shipment capacity is in the pipeline, as the Vizhinjam port develops on the Kerala coast.

For becoming a global maritime hub, as the Sagarmala aims to, India must develop good trans-shipment facilities. But such facilities, as well as facilities not necessarily focused on trans-shipment but on basic port function of handling high container cargo traffic for servicing hinterland needs, are unlikely to produce results simply from more new ports or upgrading of existing ports.

Till the cost of using port facilities in India remain uneconomic, they would have limited presence in global production networks. It is unfortunate that even relatively new port facilities in India hardly match the global efficiency standards. Several ports have come up in India over the last two decades.

Except JNPT, which is ranked in the mid-30s on global port efficiency scale, no Indian port figures among the top 50 best ports in the world. This is because of high logistics costs of Indian ports. India's low rank of 146 in the World Bank's Trading Across Borders Index underlines the high cost. The costs for Indian ports continue to be high for two major sets of factors. The first of these are due to features of the ports themselves.

While some of these point to quality of existing infrastructure, a substantive part includes procedures. The most important among the latter are lengthy processes that are still necessary for export and import. While customs operations in India are rapidly going paperless and converting to digital, inspections and scrutiny continue to be lengthy for cargo and other shipping operations. The second important set of reasons for high logistics costs of Indian ports pertains to issues arising from problems of movement in hinterland.

Connectivity between ports and hinterland is still a formidable hindrance. Sagarmala is trying to address this issue by emphasising on multi-modal connectivity to ports. But connectivity improvement plans continue to be affected by operational problems on roads as well as perennial problems of acquiring land for expansion.

Even if India is able to substantially reduce logistics costs over the next decade, plugging a few of its ports deep into global supply chains would require major regulatory changes. Cabotage laws in India continue to remain restrictive.

Foreign-flagged vessels are not allowed to ship cargo from one Indian port to another as that remains a protected turf for domestic shippers. Some initial reforms have been introduced here, such as for roll-on, roll-off (RoRo) vessels. But, further change in cabotage laws is essential for encouraging transshipment functions on Indian coasts.

Without trans-shipment, India's port-led industrial growth strategy through Sagarmala would remain ineffective. One wonders why even after 70 years of independence, and notwithstanding stated ambitions of becoming an economic superpower, basic maritime facilities continue to remain inefficient.

Why does an economy, which does so well among its peers in protecting the interests of minority investors, fare so poorly in enabling trading across borders? One really can't help wondering if regulatory attention among policymakers has not been adequate on making India's trade simpler and less expensive as opposed to the attention other sectors have got.

Unlike areas like 'registering property' or 'enforcing contracts', where India ranks low and central regulators have limited involvement making these essentially state-specific, major ports and their functions are in central command.

There is hardly any reason why customs operations in India took such long time to go digital. There is also no reason why cabotage laws remain as restrictive as they are and why major ports in India are yet to be corporatised. The only answer seems to be the low priority that outward-oriented infrastructure reforms in India continue to suffer from.

Source: financialexpress.com - Apr 07, 2018

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# E-way bill system 'working well' for exporters

***Exemptions given to consignments moving from ICDs to ports, e-sealed packages provide relief***

The e-way bill system seems to be working well for many exporters, with the Centre giving exemption to all exports moving from an inland container depot (ICD) to a customs port and also to e-sealed consignments.

"Exporters had some concerns on the e-way bill but most have been put to rest with the Centre's decision to extend the exemption given to imports moving from gateway ports to ICDs to exports as well," said a government official.

The e-way bill was introduced from April 1 under the GST framework to track inter-State movement of goods worth ₹50,000 or more. The network will subsequently be expanded to track intra-State movement of goods, too.

Exporters say the Centre's decision to exempt all e-sealed consignments has given much relief.

"A number of exporters have managed not to come within the purview of e-bills as their consignments are e-sealed. Overall, exporters are not facing any problems after the introduction of the e-way bill because of all the exemptions.

It is working well for us," said Ajay Sahai, Director General, Federation of Indian Export Organisations (FIEO). The Centre had initially decided to give an e-way bill exemption to imports wherein the goods are moved from ports, airports, air cargo complexes and land customs stations to an ICD or a container freight station.

However, when exporters and the Commerce Ministry insisted that a similar dispensation should also be provided for exports, the Finance Ministry agreed.

It notified that an e-way bill need not be generated if the movement is "under customs bond from an inland container depot or a container freight station to a customs port, airport, air cargo complex and land customs station, or from one customs station or customs port to another customs station or customs port".

"The move is also helpful for the government, as it reduces the load on the system," the government official added.

Over 17 lakh e-way bills for inter-State movement of goods have been generated by businesses and transporters since the launch of the measure on April 1.

Source: thehindubusinessline.com - Apr 07, 2018

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## Ministry of textiles rolls out HRD Scheme to upgrade skills of artisans

To upgrade the skills of the artisans and to provide qualified and trained workforce to the handicraft sector, the Office of Development Commissioner (Handicrafts) has formulated Human Resource Development Scheme under the Ministry of Textiles.

Minister of State OF Textiles, Ajay Tamta informed the house that Indian handicrafts products have an edge over other countries crafts products like China as they are mechanized ones and thus India is well equipped and skilled to face global competition.

He said that 141 such programs were implemented by National Center for Design and Product Development (NCDPD) benefiting more than 2800 artisans during 2017-18.

Further he informed that Export Promotion Council for Handicrafts (EPCH) has also executed skill development programs for artisans sanctioned under Comprehensive Handicrafts Cluster Development (CHCDS) Scheme of Development Commissioner (Handicrafts) for Narsapur and Jodhpur mega clusters.

Highlighting on the numbers, Tamta said that about 5000 artisans have been trained under Narsapur Mega Cluster in crafts of crochet and lace and 1360 artisans in the crafts of wood work, hand appliqué, hand embroidery, bone and horn, hand woven durries and hand block printing under Jodhpur Mega Cluster till date.

He further added that during 2017-18, 149 Technical Training Programs were sanctioned benefiting 2980 artisans, 172 Soft Skill Training Programs benefitting 3440 artisans.

Apart from these training programs, 510 artisans were imparted training through Guru Shisya Prampara Training Scheme and 400 artisans through Established Institution during 2017-18, he added.

Source: knnindia.co.in- Apr 06, 2018

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## Red tape snarls ₹5,000 crore GST refund for exporters

***Faulty filings of complex GSTR 3 returns have to be corrected manually***

Goods and Services Tax (GST) refunds for exporters, worth over ₹5,000 crore, are stuck as wrong filings of GSTR 3, a monthly return with the summarised details of sales, purchases and sales during the month along with the amount of GST liability, has not yet been revised.

“The Finance Ministry recently directed the GST Authority to take data from the Customs department and sort it out manually, but the process has not started yet,” a government official told BusinessLine.

“Manual correction is tedious, but it has to be done,” the official added.

According to industry estimates, the amount stuck due to the failure to revise GSTR 3 returns is between ₹5,000 crore and ₹10,000 crore.

“This is a big amount, and we hope steps are taken soon to rectify it so that the amount can be released to us,” a Delhi-based exporter said.

While the government says it has sanctioned GST refunds worth about ₹12,700 crore or 80 per cent of the eligible claims of exporters, this does not take into account the claims where returns have been filed wrongly.

"The percentage of sanction would be much lower than 80 per cent if you take into account the claims stuck due to non-revision of returns," the exporter said.

Many exporters have filed GSTR 3 erroneously as it is complicated and they are unfamiliar with it. "There are concepts such as zero-rated supply, non-GST supply and nil-rated goods, which are confusing for the exporters," the official said.

Securing Input Tax Credit (ITC) refunds, too, continues to be a big problem for exporters. While about 1.6 lakh online claims have been filed, only about 24,000 of the claims have been filed manually.

"It is obvious that exporters are facing problems in filing returns manually while dealing with field officers," the official said.

"The government should look into the problem if it wants it to be sorted out," the official added.

GST was launched all over India on July 1, 2017, with the objective of bringing the nation under a unified indirect taxation system.

Source: thehindubusinessline.com- Apr 07, 2018

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