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IBTEX No. 186 of 2018 September 07, 2018

USD 71.88| EUR 83.66 | GBP 93.04 | JPY 0.65

Cotton Market

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22326	46700	**82.75**
Domestic Futures Price (Ex. Gin), October		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22790	47671	**84.47**
International Futures Price		
NY ICE USD Cents/lb (Dec 2018)	81.30	
ZCE Cotton: Yuan/MT (Jan 2019)	15,740	
ZCE Cotton: USD Cents/lb	**88.78**	
Cotlook A Index – Physical	**92.55**	

Cotton Guide: Cotton market was relatively volatile on Thursday's session and ended at 81.30 cents per pound down by 41 points from previous close. ICE estimated volume was around 16,100 contracts, lower than previous day's 17000 contracts. At the time cotton market settled, the US dollar was trading lower and other markets were mixed. Total open interest increased by 1,207 contracts to 254,675.

December '18 and March '18 interest increased by 270 and 761 contracts, respectively, to 145,077 and 67,034.Certificated stocks were last reported at 19,837 bales, which included decerts for 229 bales. There were no bales awaiting review.

No other major development in the fundamental due to closure of Monday market the weekly export sales report will be released on Friday i.e. today.

China's ZCE futures continued to follow the trend of ICE. The ZCE has settled lower in 5 of the last 7 sessions and only one of those sessions was higher. Both markets have maintained a sideways pattern for almost 4 weeks.

Chinese State Reserve cotton on Thursday's auction had a turnover rate of 55.28%, spinners only. Offered were 30006 tons (137,822 bales); and sold were 16587 tons (76,187 bales).The cumulative turnover rate is 58.39% (offered versus sold). This auction series started at 24.1 million bales and 14.0 million bales remain.

Technically, we are still watching the short-term up channel, which may also be a 'bear flag'. We have to redraw the bottom trendline, which could make the pattern less valid. In any case, the bulls should be nervous about seeing such weak daily price action while hovering just above key long-term support. The broad Trading range remains between 80 to 84 cents per pound.

Further after the market closed the weekly CFTC report was released for the week ended 31st August. December on-call sales increased by 66 contracts to 38,974 contracts. Dec on-call sales a year ago were 31,152 contracts. Total unfixed on-call sales added 2,019 contracts to 149,476 contracts, the 1st increase in 3 weeks. Total on-call sales a year ago were 127,442 contracts, and that was a weekly increase of 12,732 contracts. Both years could be reflecting sales of non-US cotton hedged on ICE. Total on-call purchases were 44,257 contracts, up 307 contracts. (CFTC Report).

Events:

USDA Weekly Export Sales Report: 7th September

USDA-WASDE: Monthly report scheduled on 12th of September.

On the domestic front spot price maintained the price range near Rs. 47400 to Rs. 47500 per candy ex-gin for the remaining 2017-18 crop. The future market was sideways. The active October future ended at Rs 22800 per bale. We think it may trade in the range of Rs. 22700 to Rs. 22960 per bale however during the US session after the export sales reports are out price might witness goof volatility in the trade.

Indian rupee- Indian rupee trades little changed at 71.96 against the US dollar. Rupee hit a fresh record low level of 72.105 on Thursday and is hovering near those levels. Weighing on rupee are trade war worries and contagion fear in emerging market economies. The US is set to take a decision on imposing $200 billion import tariffs on China. Trade worries rose further today as reports noted that President Donald Trump may turn his sights on trade with Japan. US-Canada trade talks have also not succeeded so far. Contagion fear has kept most emerging market currencies under pressure. However, supporting rupee is weakness in crude oil price and correction in US dollar index. Crude came under pressure amid easing storm concerns and continuing trade war worries. The US dollar index is however under pressure due to disappointing economic data. Rupee may remain under pressure on persisting trade worries and contagion fears. USDINR may trade in a range of 71.65-72.2 and bias may be on the upside.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

U.S. trade deficit widened to $50.1 billion in July

The U.S. trade deficit widened for the second straight month in July, reaching the highest level since February, as imports hit an all-time high. The deficit in goods with China and the European Union set records.

The Commerce Department said Wednesday the deficit in goods and services – the difference between what America sells and what it buys from other countries – rose to $50.1 billion in July from $45.7 billion in June. Exports slipped 1 percent to $211.1 billion. Imports increased 0.9 percent to a record $261.2 billion on increased purchases of trucks and computers.

The deficit rose despite efforts by President Donald Trump to bring it down by renegotiating trade agreements and imposing taxes on imports.

The United States has already slapped tariffs on $50 billion in Chinese goods in a dispute over Beijing's aggressive efforts to challenge American technological dominance. It is taxing imported steel and aluminum and may target auto imports next, causing a rift with the EU. Trump also has threatened to exclude Canada from a revamped North American trade agreement.

So far, the president's aggressive policies have had little impact on the trade numbers. The goods deficit with China rose 10 percent in July to a record $36.8 billion. The gap with the EU shot up 50 percent to a record $17.6 billion and with Canada nearly 58 percent to $3.1 billion. The July deficit with Mexico, though, plunged 25 percent to $5.5 billion.

So far this year, the trade deficit is up 7 percent from January-July 2017.

Trump views trade deficits as a sign of economic weakness, caused by bad trade deals and abusive behavior by America's trading partners.

Mainstream economists blame persistent U.S. trade deficits on an economic reality that can't be changed much by trade policy: Americans spend more than they produce, and imports fill the gap. The strong U.S. economy is also encouraging Americans to buy more foreign products.

"The core story here is that strong domestic demand is sucking in imports ... the trade deficit likely will be flat-to-higher over the next couple of months," Ian Shepherdson, chief economist at Pantheon Economics, wrote in a research report.

In July, the United States ran a deficit of $73.1 billion in goods such as cars and machinery, but recorded a surplus of more than $23 billon in services such as education and banking.

Source: spokesman.com- Sep 05, 2018

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Australian trade surplus narrows in July, fall in metal ores and mineral exports weigh

Australian trade surplus narrowed during the month of July, weighed down by fall in export values of metal ores and minerals. There were also signs that the East Coast drought may be weighing on exports, according to the latest report from ANZ Research.

The monthly trade balance narrowed to AUD1551 million in July. June's surplus was revised up to AUD1973 million (from AUD1873 million). The deterioration reflects exports falling 1 percent m/m, while imports rose 0.1 percent.

Total export values were up 13.7 percent y/y. Resource goods were up 0.7 percent m/m, led by a 37.1 percent increase in metals and a 3.3 percent rise in coal. However, metal ores and mineral fell 4.6 percent (AUD367 million).

Rural good exports fell 1.8 percent m/m (AUD76 million), with this due to a 10.5 percent fall in cereals and a 7.9 percent decline in wool. Service exports rose 0.5 percent m/m, with transport exports rising 2.8 percent, offsetting a 0.6 percent fall in travel.

Total import values rose by 0.1 percent m/m in July, following a 0.8 percent decline June. Year-on-year, imports are 9.8 percent higher. Intermediate and other goods were the main positive, rising 5.6 percent m/m, mainly due to a 23.5 percent surge in imports of fuels and lubricants.

The volatile non-monetary gold segment was also a positive, rising 10.8 percent. Consumption goods fell 3.7 percent m/m, as textiles, clothing and footwear fell 9.1 percent and car imports declined 0.4 percent (AUD321 million).

Source: econotimes.com- Sep 06, 2018

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Pakistan: Govt to revisit free trade deals

The government would revisit existing and proposed trade agreements with different countries in order to ensure an enabling environment for the promotion of Pakistan's trade with international market, said Adviser to the Prime Minister on Commerce, Textile, Industries and Investment Abdul Razak Dawood.

"We have to revisit the free trade agreement (FTA) with different countries including those being negotiated with Thailand and Turkey," the adviser said while talking to APP on Wednesday.

Pakistan's cost of trading across border highest in region

He said the government was determined to encourage regional trade and export-led growth of the economy. Dawood emphasised that the government would give priority to the promotion of export-led growth by enhancing shipments and reducing dependence on imports, adding it had identified many sectors that would give a boost to exports from the country.

Value addition necessary to boost trade

Replying to a question, Dawood said agricultural goods export alone would not enhance the country's overall shipments, highlighting the importance of switching to value addition.

Source: tribune.com.pk- Sep 06, 2018

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Nigeria-China Trade Now $7.2 Billion, Says Envoy

The China Commercial Consular to Nigeria, Mr. Hongliang Gao, has put the present value of trade between Nigeria and China at $7.2 billion, making China the third largest trading partner with Nigeria.

However, with the increased interest in investments and trade between both countries, the value is expected to surpass Nigeria's trade with India, which is presently the country's highest trading partner.

Speaking wednesday at the opening ceremony of the 2018 China-Nigeria Trade Fair in Lagos, Gao said the Chinese government was committed to a sustainable mutually beneficiary relationship with Nigeria.

Gao said, "Nigeria is Africa's first population country and the largest economy. It is rich in natural resources, fertile land and huge market potential. In recent years, the friendship between China and Nigeria have been further strengthened, high-level exchanges have become closer, political mutual trust has deepened, bilateral economic and trade cooperation have achieved fruitful results, and the scale of trade has continued to expand."

He added, "From January to June this year, the bilateral trade volume between China and Nigeria reached $7.2 billion. It increased by 7. 6 per cent year-on-year.

"At present, Nigeria is China's third largest trading partner in Africa, the largest engineering contracting market and an important investment destination. "The continuous and in-depth development of China-Nigeria economic and trade relations is in the common interest of the two peoples."

He further spoke on the just concluded China Africa Summit, saying, "wednesday, the Beijing Summit of the Forum on China-Africa Cooperation was successfully concluded.

"Chinese President Xi Jinping shared the friendship and discussed the plans with the leaders of African countries. The Beijing Summit of the China-Africa Cooperation Forum is a major event in the historical development of China-Africa relations.

"It has established a historical monument of China-Africa friendly exchanges, played a strong voice of China-Africa economic and trade cooperation, and point out the future development direction of China – Africa relations."

Furthermore, he said, "The China-Africa Cooperation Forum closed successfully yesterday. Today, the 2018 China -Nigeria Expo has entered Lagos and was grandly opened.

"It is just the right time. The Expo is an important measure for the organisers and exhibitors to actively respond to the national interest.

'One Belt and One Road,' initiative, explore emerging markets in African countries, and optimises the layout of the international market. In this exhibition, nearly 100 companies from 13 provinces and cities in China participated, 200 booths and 4,000 square meters of exhibition area.

"The products exhibited include building materials, home appliances and consumer electronics, textiles and clothing."

Also, the Secretary General of International Silk Union, Mr. Jianming Fei, in his opening remarks said findings on Nigeria's demand for silk had doubled in the past three years which he anticipated would establish a manufacturing base in Africa in no distant time.

Sign $328m Agreement, Seeks Chinese Support for Mambilla Projects
Meanwhile, Nigeria and China yesterday as part of Forum on China and Africa Cooperation (FOCAC) summit, signed $328 million agreement for Information and Communication Technology Infrastructure Backbone Phase II (NICTIB II) project.

This came as President Muhammadu Buhari also sought the support of Chinese President Xi Jinping, for the building of 3050 Megawatts Mambila hydroelectric power project in Taraba State.

In the same vein, the statement said a Chinese firm announced its decision to invest $200 million in an industrial park in Kano State, cotton farms in Funtua, Katsina State and textile and garment manufacturing establishments in Aba, Abia State and Lagos.

In a statement, Malam Garba Shehu, Senior Special Assistant to the President on Media and Publicity, said the $328million concessional loan agreement between Galaxy Backbone Limited and Huawei Technologies Limited (HUAWEI) was signed by Nigeria's Minister of Finance, Kemi Adesoun and Wang Xiaotoa, Director-General of International Development Agency and witnessed by Buhari and Jinping.

He said Nigeria and China also signed a memorandum of understanding for One Belt One Road Initiative (OBOR).

According to him, Nigeria's Minister of Foreign Affairs, Geoffrey Onyeama and Director, China's National Development and Reform Commission, He Lifeng, signed OBOR, which he described as an initiative of Jinping, which focuses on improving connectivity and cooperation among multiple countries spread across the continents of Asia, Africa and Europe.

Shehu said during his meeting with Jinping, Buhari commended the Chinese government for successfully hosting FOCAC and solicited its support for Mambila hydropower project.

He said Buhari noted that Mambilla project remained a key priority matter to Nigeria and also sought additional Chinese funding for four airport terminal projects as well as the Abuja light rail project.

He also said the president thanked China for accepting to support the international efforts to recharge the Lake Chad Basin, quoting him as saying, "the inclusion of this project in the FOCAC Action Plan 2019 to 2021 will go a long way in supporting our efforts to rehabilitate and resettle the conflict-impacted North East region."

The statement also said Buhari noted that easy movement of citizens of both Nigeria and China would complement the currency swap agreements recently signed by the central banks of both countries.

"Since our last meeting two years ago, Nigeria has relaxed its visa requirements to Chinese citizens. Today, I am pleased to inform Your Excellency that Chinese citizens receive Nigerian visas in less than 48 hours.

"Another measure that will improve our trade volumes will be to introduce import duty waivers on Nigeria's commodity exports to China. Today, our commodities such as sesame seeds, hibiscus and cassava amongst others attract import duty in China," Buhari was quoted.

The statement also said Buhari lauded China's support for two permanent seats for Africa at the United Nations (UN), noting that the reform of the Security Council would ensure equitable representation for the continent.

It added that in his remarks, Jinping who commended Nigeria's fight against terrorism and the progress that has been made so far, promised China's support in capacity building and intelligence sharing.

It also said he pledged 50 million Chinese Yuan support to Nigeria's military, saying "Buhari is as decisive in dealing with terrorism as China."

Furthermore, it said the Chinese President said China would import more agricultural products from Nigeria and expressed gratitude to Buhari on Nigeria's interest to participate in the forthcoming Chinese Import Fair.

On Mambilla, the statement said the Chinese leader said, "we understand how critical the project is to your country and we will take a serious look at it and ensure that it succeeds because of its social and economic benefits."

Shehu also said on the sidelines of FOCAC summit, Ruyi Group, a leading Chinese company met Buhari with a plan to invest $200 million in an industrial park in Kano State, cotton farms in Funtua, Katsina State and textile and garment manufacturing establishments in Aba, Abia State and Lagos.

He said the proposed investment would cover the entire cotton value chain, farming, ginning, spinning, weaving and power generation to support the processes.

He added that Ruyi Group Chairman, Mr. Yafu Qui told Buhari that they settled for Nigeria because of the country's population, abundant human and material resources and a 'strong leadership' that has diversification agenda for the country.

Source: thisdaylive.com- Sep 06, 2018

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Indonesian: Government open to trade agreements to boost textile industry

Trade Minister Enggartiasto Lukita has said that the government would support the domestic textile industry by strengthening its overseas markets through the establishment of trade agreements with other countries.

“Various efforts have been implemented to open markets for exports through the establishment of various agreements,” Enggartiasto said in opening National Textile Dialogue 2018 in Surakarta, Central Java, on Wednesday.

He said the Trade Ministry, in collaboration with Indonesian embassies and consulate generals as well as the Indonesian Trade Promotion Center, would promote local products and commodities.

In the first half of 2018, textile and textile product exports reached US$6.45 billion, a growth of 7.89 percent year-on-year (yoy) over last year’s $12.53 billion in the same period. The export value reached $12.53 billion, an increase from $11.83 billion in exports recorded in the same period in 2016.

He expressed optimism over the industry's prospects, both in the global market and domestic market.

“Textiles are major Indonesian products for export that have always provided growth. It is also good for the market domestically. We can now change the perception that we failed to compete with products from China, India, Vietnam and Bangladesh. The fact is that we have exported to China,” the minister said.

He said his ministry needed to further educate the people that the quality of domestic textile products was better than that of imported products. (bbn

Source: fibre2fashion.com- Sep 06, 2018

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South African Wool Price Surges to Record Due to Rand Slump

The benchmark price of wool in South Africa, the world's second-biggest producer of the variety used for clothes, climbed to a record as the rand weakened and demand increased.

The Cape Wools Merino Indicator climbed 6.6 percent to 253.82 rand ($16.45) a kilogram (2.2 pounds) at the sale in the southeastern city of Port Elizabeth, Cape Wools SA said in an emailed statement Wednesday.

"The wool market delivered excellent returns primarily due to the weakening rand and was supported by the continued excellent demand for good-quality long and fine merino wool," the industry body said. "Prices increased across the board, with the fine to coarser ends benefiting. Buyers paid record-level prices for a third consecutive auction."

The rand weakened to a more than two-year low against the dollar Wednesday after a Tuesday report showed output in Africa's most-industrialized economy contracted for a second straight quarter to slide into the second recession in almost a decade and as emerging-market assets are under pressure from a stronger U.S. currency.

After peaking at 148 million kilograms in 1966, southern African wool production has declined to about a third of that annually as the popularity of cheaper synthetic fibers climbed and as Australia, which supplies more than three-quarters of the fiber used in clothing, sold off stockpiles.

The country has about 15 million merino sheep, with Cape Wools estimating there are as many as 9,000 commercial producers and 50,000 small-scale farmers. About 35 percent of production comes from the impoverished Eastern Cape province.

Source: bloomberg.com - Sep 05, 2018

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NATIONAL NEWS

India, US must boost bilateral trade to $500-600 bn: Prabhu

India seeks US partnership to boost various sectors and grow the bilateral trade to $ 500-600 billion from $ 125 billion currently, with a good strategy under a stipulated time, Commerce and Industry Minister Suresh Prabhu said here on Thursday.

“The US-India bilateral trade is declining for various reasons and we should not be happy with bilateral trade of $ 125 billion. We must set a clear cut target of $ 500-600 billion in a stipulated time period. We are willing to come out with complete strategy and am sure that the companies from both country’s will benefit,” Prabhu said Thursday.

Speaking at a US-India Business Council event, Prabhu said that we can resolve some issues through talks. India offers lot of opportunities in sectors including agriculture, pharmaceuticals, infrastructure, start-ups and make “India-US partnership greater again” in line with President Trump’s call of Let’s make US great again.

The geo-politics has changed so much in the last few months, geo-economics is also changing rapidly. “In this context, I see a clear defined role and responsibility for US-India to work together not just for our mutual benefit but also for the benefit of rest of the world,” Prabhu said.

India will become $ 5 trillion economy in the next 7-8 years and $ 10 trillion by 2035, he said.

India becoming economically strong would only mean, US has a friend and partner, who is stronger than before and strong India will be in the long term interest of US, he reiterated.

Aviation sector

The country’s aviation sector is expected to provide big investment opportunity as it is one of the fastest-growing in the world and has recorded 50 months of double-digit traffic growth. As many as 100 new airports would be built in the next 10 to 15 years for about $ 60 billion, Prabhu said, adding that the country's infrastructure sector also offers investment opportunity of $ 250 billion every year.

India is looking setting up of special economic zones (SEZ) only for the US companies, he added.

Prabhu also said US-India must have specific programme for sharing information of start-ups from both the countries.

Export opportunities

Further, he called US to join hands with India to explore export opportunities in 54 African nations, where both US and India can make joint pitch for exports of American and Indian products. Prabhu also urged the US to be partner with India to create new dynamic agenda for the World Trade Organisation (WTO).

The minister said that the government will announce the new industrial policy soon. A key thrust in the proposed policy, which will replace the Industrial Policy of 1991, is to reduce regulatory hurdles and encourage adoption of technologies of the future such as robotics and artificial intelligence.

Source: thehindubusinessline.com- Sep 06, 2018

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New industrial policy to help link industry with global supply chains: Suresh Prabhu

The proposed new industrial policy, to be released soon, would help link domestic industry with the global supply chain, Commerce and Industry Minister Suresh Prabhu Wednesday said.

He said that the auto component industry has successfully used this linkage to promote the sector's growth.

"We are coming out soon with the new industrial policy. We are giving final touches to it. It has many components. One key element is how do you link industry with global supply chains," he said here.

The new policy will replace the industrial policy of 1991, which was prepared in the backdrop of balance of payment crisis.

The proposed policy aims at promoting emerging sectors and modernising the existing industries. It will also look to reduce regulatory hurdles and encourage adoption of frontier technologies such as robotics and artificial intelligence.

The ministry in August last year had floated a draft industrial policy with an aim to create jobs for the next two decades, promote foreign technology transfer and attract USD 100 billion foreign direct investment (FDI) annually.

Prabhu also said that the ministry is looking at ways to increase exports of auto components.

Further, he added that to deal with the hurdles of logistics related issues, the ministry is preparing a plan.

The India will become USD 5 trillion economy in the coming years, and USD 1 trillion would come from manufacturing, he said, urging the auto industry to participate in this growth.

Source: economictimes.indiatimes.com- Sep 06, 2018

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Rupee breaches 72 per dollar for the first time

he Indian currency fell for sixth consecutive day and lost 165 paise in the last six trading sessions.

The Indian rupee on Thursday, September 6, 2018, crashed below the 72-level for the first time ever on persistent global headwinds and concerns on macroeconomic front.

The domestic currency was quoted 37 paise lower at 72.12 against the US dollar in afternoon trade.

Investors remained concerned over sustained foreign capital outflows and widening current account deficit in the wake of soaring crude oil prices.

At the Interbank Foreign Exchange (Forex) market, the local currency opened higher at 71.67 a dollar against its previous record closing of 71.75, but failed to sustain initial strength and fell back to breach the 72-mark.

The rupee's unabated fall continued for the sixth straight session Wednesday, hitting yet another closing low of 71.75, down 17 paise against the US currency.

On Wednesday, the domestic unit plummeted to a historic low of 71.97 a dollar in intraday trade before finding some respite.

'Global factors'

Finance Minister Arun Jaitley Wednesday attributed the fall in rupee to global factors and stressed that the domestic unit was better off as compared to other currencies.

Forex dealers said besides strong demand for the American currency from importers, concerns of fears of rising fiscal deficit and capital outflows mainly weighed on the domestic currency.

Moreover, weakness in emerging currencies overseas against the dollar too weighed on the domestic currency, they added.

Meanwhile, international Brent crude futures fell 27 cents, or 0.4 per cent, to USD 77 per barrel. A fall in crude prices is seen as positive for India, which imports most of its oil requirements, traders said.

The BSE Sensex too entered the negative zone by falling 61.11 points, or 0.16 per cent, to 37,957.20 points in afternoon trade.

Source: thehindu.com- Sep 06, 2018

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Better times ahead for Indian synthetic textiles makers

Synthetic textile manufacturers in India hope to see a turnaround. In a major relief for domestic synthetic textile producers, the rupee has depreciated over 11 per cent so far this calendar year.

There was a 47 per cent increase in imports of readymade garments made out of manmade fiber between April and July this year compared to the same period last year.

Import of manmade staple fibers, yarn, fabrics and made-ups jumped y 26 per cent for the four month period ending July 2018 compared to the same period last year.

Synthetic textile manufacturers are hoping imports of readymade garments slow on the rupee depreciation. While rising crude oil prices have made the inputs of synthetic textiles costlier, the rupee depreciation will make import prices worthy and exports profitable.

The major part of this rupee fall was seen post-April. However, export orders booked after April will start getting executed now. Hence its impact would be seen partly in the September quarter and fully in the December quarter.

Thus, India's exports of synthetic textiles are set to revive in the September quarter.

India's exports of synthetic textiles and raw materials declined in some categories while others remained flat during the April–July 2018 period.

Source: fashionatingworld.com- Sep 06, 2018

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Assam Textile Minister inaugurates Silk Mark Expo in Guwahati

The Minister of Handloom, Textiles and Sericulture of Assam government Ranjit Dutta inaugurated the Silk Mark Expo on Wednesday in Guwahati.

The five-day expo is held at the NEDFi House. Silk Mark Organization of India (SMOI) organized the expo and Central Silk Board, Ministry of Textiles sponsored it.

The state government will set up a yarn bank in Sualkuchi, where the raw materials will be available at market price with 20 per cent subsidy and the local weavers will benefit from this.

The yarn bank will be inaugurated on September 15 by Chief Minister Sarbananda Sonowal, informed Ranjit Dutta.

In his speech, Dutta said that in order to ensure that Silk Mark gains further credibility and popularity, it is necessary to create enough publicity and awareness among the consumers to buy only Silk Mark-labelled silk products.

At the inaugural programme, Mamta B Sharma, executive, SMOI, Guwahati Chapter, said that the event is an ideal platform not only to popularise Silk Mark labels and provide valuable linkages to all the stakeholders in the silk industry, but also to encourage the local entrepreneurs to start business in silk.

During the expo, silk products will be showcased by 44 Silk Mark members and authorized users from across the country. 'Vanya' silk such as muga, eri, tasar, etc., will also be showcased to generate awareness about the new possibilities of 'Vanya' silk product development.

Source: nenow.in- Sep 06, 2018

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Changing the fibre of its being

Why Garware Wall Ropes decided to go in for an identity change and how it went about it

For a company that knows the ropes pretty well, it took an inordinate time for Garware Technical Fibres to find its true identity. Nine years, to be precise, for the rebranding.

Born as Garware Wall Ropes in 1976 as a company that made industrial ropes, textiles and nets used in fishing, agriculture and shipping, over the years, the company's product range evolved. From fabrics that cover and protect radar equipment to manufacturing surveillance balloons called aerostats, from geosynthetics used in construction to technical textiles for the defence sector, it cast its nets wide.

Today, it makes over 20,000 varieties of products, with applications in industries as diverse as defence, construction, industrial safety, automobiles, healthcare, shipping and agriculture. Ropes are only a small part of the offering. So a name change was warranted. But it was not simple.

"We had been rigorously capturing the voice of the customer, but being a B2B company, we wanted to understand our journey for the next 30 years, and wondered if our brand reflects that," explains Vayu Garware, Chairman and Managing Director, Garware Technical Fibres.

Pointing out that 80-90 per cent of the properties of its products come from fibres, Garware says, "That's where our R&D is, that's where our polymer technology is. That is the core of our being: fibres." According to him, the maximum amount of time and energy in R&D is spent by the company in developing new features in fibres.

The new name had to incorporate Fibres.

Given that technical textiles is a booming area, expected to touch ₹150,000 crore by 2020, and growing at 12 per cent per annum, and an important thrust area in the government's Make In India programme, the direction was clear.

To be sure, the company conducted a survey, both in India and overseas, where it had customers. The survey found that the Garware name was well-respected and trusted in terms of quality and reliability, but many were confused about the word 'Wall' in the company's name. "I was even asked, is it a rope to climb a wall, and actually got several investor queries on it," says Garware. Also, the earlier logo was not something that could be recalled.

When the company started, it was a joint venture with an American company called Wall Industries. "That JV ended within 2-3 years of the formation of the company." Though the name was retained, it was not relevant, as Garware explains.

Rebranding consultant Arvind Hegde of Done & Partners was brought in. After several rounds of debates, deliberations, analysis and iterations, the company decided it was time to don a new name, a new logo and project a key message.

For the grandson of industrialist Abasaheb Garware, keeping a connect with the family name and colour was important, even though he ran his business completely independent of Garware Group of Industries. "Red has always been the colour of the Garware brand and we aim to stay committed to our roots and values," he says.

The new logo has a rising sun, superimposed on a globe bathed in red. "The sun stands for everything good. It stands for warmth, energy. progress. It helps food to grow and helps fish to survive. It is very relevant for us," says Garware.

As for the new tag line 'Better ideas in action', Garware insists it is essential to the core mission.

"Our job is to bring new ideas and weave them into new products and new processes, ensure strategy creation. But ideas without action mean nothing. It is really about execution and excellence," he says.

Source: thehindubusinessline.com- Sep 06, 2018

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