



IBTEX No. 6 of 2019

January 08, 2019

USD 70.10 | EUR 80.21 | GBP 89.45 | JPY 0.64

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	Rs./Candy	USD Cent/lb
20718	43300	78.81
Domestic Futures Price (Ex. Warehouse Rajkot), January		
Rs./Bale	Rs./Candy	USD Cent/lb
20940	43765	79.66
International Futures Price		
NY ICE USD Cents/lb (March 2019)		72.75
ZCE Cotton: Yuan/MT (May 2019)		14,940
ZCE Cotton: USD Cents/lb		98.92
Cotlook A Index – Physical		81.50
<p>Cotton Guide: Sentiments of market participants are slowly turning towards the bullish side. If we see a breach of 75 cents/lb today, then it would not be difficult for prices to thrust forward therefore taking a short term bullish stance. Yesterday ICE March futures skyrocketed to a high of 73.92 cents/lb, therefore settling at a figure of 72.75 cents/lb. The change noted was +23 points.</p> <p>Similarly, ICE May and ICE July skyrocketed to high figures of 75.23 and 76.45 therefore settling at 74.10 and 75.40 respectively. These positive figures were attributed to an expectation of optimistic trade talks between the two (US-China) super powers. The market now needs to see a concrete agreement on paper between the duo.</p>		

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MCX January contract touch a high of 21,190 Rs/Bale but could not hold on with its momentum thus settling at 20,940 Rs Bale which is a decline of (-130) Rs. MCX February contract dropped with a similar figure of (-130) and settled at 21180, whereas MCX March settled at 21430 with a drop of (-140) Rs. The figures for MCX Cotton Bales Stock position as on 5th January 2019 is – Total Utilized capacity: 64,100 Bales and stocks eligible for exchange delivery is 47,500 bales.

The cotlook Index A has been adjusted to 81.50 cents/lb i.e a gain of +1.80. This was in tandem with the upward price movements at ICE. Arrival figures in India are estimated at around 168,000 lint equivalent bales (source cotlook). Whereas prices of Shankar 6 are still in the range of 43000 and 43500 Rs/Candy.

As predicted earlier, we are now witnessing a decline in crop production figures. The apex body for Cotton – Cotton Association of India has revised its production estimates to a lower figure of 335 lakh Bales (1 Bale =170 Kg) as compared to the first revision of 340 Lakh Bales i.e. a decline of 5 lakh bales.

This lower revision was attributed to lesser yield which was mainly due to insufficient showers in the country. 2 lakh Bales were expected to be less from Maharashtra and Gujarat each. According to CAI, the Estimation of stocks available as on December 31, 2018 is around 15.50 lakh Bales in India. We expect prices to once again show a short upward movement today.

On the technical front ICE cotton prices made a bullish pattern (Morning star) accompanied with the RSI above 30 suggest a short term pullback in the price. Sustainable trades below 70.50 will only resume the downtrend while the immediate resistance is at around 74.50. From the above we expect prices to trade in the range of 71.50-74.60 with sideways to positive bias. In the domestic markets trading range for Jan future will be 20780-21240.

Currency Guide

Indian rupee may witness choppy trade amid mixed factors however general bias may be on the upside. Indian rupee remains supported by improvement in risk sentiment.

Progress over US-China trade talks, upbeat US labour data, Fed's patient stance on interest rate hikes and China's move to cut reserve requirement rate helped global equity market stabilize.

Commerce Secretary Wilbur Ross said there's a "very good chance" the US gets a reasonable deal with China. The US dollar is also pressurized by Fed's patient stance on interest rate hikes. Fed Chairman Jerome Powell last week indicated that the central bank may alter monetary policy if needed and will be patient on interest rate hikes. Post it, Atlanta Fed President Raphael Bostic said the US central bank should only raise interest rates once this year. Rupee is also supported by upbeat GDP data.

The statistics ministry said in its first official estimate published on Monday stated that GDP will grow 7.2% this fiscal year as against 6.7% in the previous year. However, weighing on rupee is recent recovery in crude oil price.

Brent crude oil holds above \$57 per barrel supported by decline in OPEC's production and recovery in US equity market. While global risk sentiment has improved, concerns persists about US government shutdown, Brexit and Chinese economic slowdown. There is still skepticism that US-China will reach a major deal in trade talks. USDINR may trade in a range of 69.4-70.1 and bias may be on the downside.

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INTERNATIONAL NEWS

Global Cotton Prices to Soften on Tepid Demand, China Drawdowns

With global consumption expected to climb and production dipping, the International Cotton Advisory Committee (ICAC) has lowered its 2018-19 price forecast for cotton to 86.45 cents per pound, down from 89 cents in December.

The forecast, which has a price range from a low of 75.60 cents to a high of 100.21 cents, is based on outlooks such as world cotton consumption, which grew 9 percent to 26.8 million tons last year, in 2017/18, dipping to 26.7 million tons in the coming year.

The Cotlook A Index, an average of global cotton prices, is projected at 89 cents for this year, one cent higher than last year's average 88 cent per pound average.

Spot prices on U.S. cotton averaged 73.12 cents per pound for the week ending Dec. 20, down from 75.37 cents per pound the prior week and 73.81 cents per pound a year earlier, according to the U.S. Department of Agriculture (USDA).

"The tariffs imposed in the much-publicized trade war between the USA and China are not expected to influence consumption directly, although they could affect textile demand if they have a slowing effect on economic growth," ICAC said.

At the same time, ICAC projected that global cotton production will decline 2 percent to 26.1 million tons this year, marking the first drop since 2015-2016. It follows increases of 7 percent and 16 percent, respectively, the past two seasons.

According to the USDA, China, Brazil, West Africa, Turkey and Uzbekistan are expected to increase production. But it will be outweighed by expected decreases in the U.S., India, Australia and Pakistan.

Global stocks are expected to be down to 18.2 million tons this year from 18.8 million tons in the prior season, primarily based on major stock drawdown in China, where the projected 7.6 million tons in reserve would be the country's lowest levels since 2011-12.

The world outside of China is expected to post a small gain in stocks to 18.2 million tons.

Source: sourcingjournal.com - Jan 07, 2019

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US-China Talks Help Boost Retail and Apparel Stocks

The hint of some good news helped lift retail and apparel stocks on Monday after a December swoon had brought them down.

The resumption of trade talks between the U.S. and China in Beijing in an attempt to end the trade war between the world's two largest economies, along with Friday's robust jobs numbers, is giving stocks a boost.

Retail industry employment in December increased by 15,200 jobs seasonally adjusted from November and 37,600 jobs unadjusted year-over-year, according to the National Retail Federation. The retail gains came as the U.S. added 312,000 jobs overall, the Labor Department said.

U.S. stocks advanced on the day as the Trump administration said it was "reasonable" to say a trade deal with China was in reach as Chinese President Xi Jinping sent one of his top aides to the talks. The two leaders have embarked on a trade war that has seen them impose tariffs on a combined \$360 billion worth of tariffs on imports, causing turmoil for financial markets and concern in sourcing circles.

"There's a very good chance that we'll get a reasonable settlement that China can live with, that we can live with, and that addresses all the key issues," Commerce Secretary Wilbur Ross told CNBC.

The S&P 500 rose 0.7 percent at the end of trading on Monday, as the Dow increased 0.42 percent and the Nasdaq climbed 1.26 percent. This followed one of the worst ever one-month performances in the market in December.

Among major retailers, Target stock jumped 4.89 percent to close at \$69.68, Walmart shares were up 1.18 percent to finish at \$94.54, Macy's stock rose 1.8 percent to reach \$29.91 and Amazon shares climbed 3.44 percent to end the day at \$1,629.51.

Other notable retail gainers were Ascena Retail, up 13.5 percent to \$3.11; Stein Mart, gaining 4.8 percent to \$1.31; Abercrombie & Fitch, ahead 4.76 percent to \$20.92; Gap Inc., climbing 4.61 percent to \$26.57; Express, up 3.31 percent to \$5.61; Ross Stores, gaining 4.21 percent to \$88.93, and J. Jill, ahead 4.41 percent to \$5.44.

Apparel stocks, which had also gone through a downward tilt, also enjoyed the upswing.

VF Corp. shares were up 1.88 percent to close at \$72.98, PVH Corp. stock jumped 5 percent to end the day at \$98.56 and Ralph Lauren Corp. saw shares gain 1.82 percent to close at \$106.7. In addition, Michael Kors Holdings stock was up 1.99 percent to \$37.92, G-III Apparel Group shares climbed 4.7 percent to close at \$30.31 and Hanesbrands stock rose 3.18 percent to finish at \$13.31.

Source: sourcingjournal.com- Jan 07, 2019

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Does the China Slowdown Signal Volatility for Apparel Sector?

Global economic turbulence could be lifting some apparel and retail stocks at the expense of others.

Speaking with CNBC, Wells Fargo Securities senior analyst Ike Boruchow said investors in his group are seeking out "safe havens" like off-price darlings TJX and Ross, and dollar-store leaders as many multinational apparel and luxury brands are buffeted by what appears to a significant slowdown in what used to be everyone's favorite growth opportunity: China.

New data shows a contraction in China's manufacturing sector amid a broader growth slowdown in many of the world's biggest economies, Bloomberg reported. And now, Reuters is reporting that China's central bank

took the serious measure of slashing the reserves that banks are required to keep on hand, making \$116 billion available for additional lending in an effort to ameliorate a sputtering economy. That decision, CNBC anchor Melissa Lee said, indicates that China is “admitting” there are cloudy skies ahead.

“China seems to be rolling over,” Boruchow added.

Noting that share prices for multinationals have “meaningfully underperformed” their domestic peers in recent months, Boruchow told CNBC athletic companies like Nike and Lululemon Athletica seem to be “bucking the trend” though the luxury sector—increasingly dependent on China in recent years—“is a different kind of animal.”

The government-led crackdown on daigou, or the practice of surrogate Chinese shoppers purchasing abroad for people back home, is a significant factor in what jewelry leader Tiffany’s described as a “meaningful decline” in revenue from its Chinese customers, Boruchow said.

Though just 8 percent of Tiffany’s business stems from its footprint on the Chinese mainland, Chinese customers contribute 30 percent of its turnover, he added.

“It’s not that China is a huge percent of revenue,” Boruchow explained.

Continuing, he said, “China’s been a big opportunity,” as major players like PVH and VF Corp. “started to go after China in a big way” by bringing their licenses in house and investing in full-throttle strategies.

“It’s not just a sales slowdown” that the industry is concerned about, Boruchow noted. “Profits are tough there to begin with.”

Source: sourcingjournal.com- Jan 07, 2019

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German textile and clothing production dips in the last 10 months

Domestic production in the German textile and clothing sectors in October decreased.

Textiles fell 3.4 per cent and clothing by 2.7 per cent. Total imports increased over the last 10 months by one per cent against the same period of 2017.

Total exports in October increased by 5.6 per cent mainly as a result of the increasing seasonal clothing exports. Import surplus is 8.8 per cent lower than in 2017.

The two sectors on an average employ 0.5 per cent less people than in 2017. Clothing has seen a fall of four per cent while textile enterprises employ 1.2 per cent more people.

Working hours fell by one per cent against the same period of 2017. Textiles have increased working hours by 0.8 per cent whereas clothing working hours have dropped by 4.7 per cent.

Production prices increased slightly, for textiles by 0.9 per cent and clothing by 0.7 per cent.

October proceeds of clothing retail contracted 1.3 per cent below the 2017 level. Total German retail volume increased by 3.1 per cent.

Raw material imports sank in October by seven per cent despite increasing raw material prices.

The forecast for the German economy as a whole is negative with the trade crisis and increasing raw material prices.

Source: fashionatingworld.com- Jan 07, 2019

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Sri Lanka: November apparel exports up 10 per cent

Sri Lanka's apparel exports increased 10.10 per cent year-on-year in November 2018.

Exports to the US increased 16.58 per cent while to the EU increased marginally by 3.01 per cent in the period. Total exports during the January to November period grew 4.92 per cent.

With November export results, Sri Lanka hopes to surpass the US \$5billion magical figure for the first time in history.

Cumulative apparel exports to the US from January to November increased 5.61 per cent while exports to the EU increased 4.13 per cent. Overall exports to other countries too increased 5.11 per cent.

The industry expects around four to five per cent year on year growth in apparel exports for 2019. This is based on the assumption that there will be no hard Brexit and there will be a negotiated Brexit.

Apart from Bangladesh and Vietnam, some African nations such as Ethiopia are also emerging as major apparel exporters to the US and EU, as they have the capacity to manufacture garments at a low cost while meeting the sustainability standards as demanded by US and EU retailers.

Sri Lanka is not able to fully capitalise on the US-China trade war, as Sri Lankan manufacturers don't have the capacity to cater to the export orders that China is losing.

Source: fashionatingworld.com- Jan 07, 2019

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Sri Lanka raises port charges to the dismay of trade

The Sri Lanka Ports Authority (SLPA) has substantially raised its port charges and other related tariffs effective from January 1, 2019, a move that has taken importers, exporters and other key stakeholders by surprise, as it will drive up costs for manufacturers and consumers alike.

SLPA has more than doubled some of the tariffs and reduced the concessions available on demurrage among others in what could be termed as an overhaul in the tariff structure, Mirror Business reliably learns.

For instance, ports wharfage tariff for export containers and import containers and handling of their LCL cargo or less than container load cargo, has been exorbitantly increased.

“In fact the tariff increase was so intense in US dollar terms; wharfage tariff has been more than doubled,” a freight forwarder told Mirror Business on the condition of anonymity.

According to him, the demurrage-free times have been reduced too. The twenty-foot rate has been increased to US \$ 35 from US \$ 16, and forty-foot price to US \$ 70 from US \$ 32.

In addition, the LCL charges have been abolished and a box rate has been introduced— which is an increase with a new mechanism, making small exporters and importers indirectly vulnerable for a greater increase than stipulated.

The new Port and Shipping Minister Sagala Ratnayake is said to be unaware of the development as the plans to increase port charges were believed to have been hatched during the tenure of Ratnayake’s predecessor, Mahinda Samarasinghe.

SLPA made headlines with the dawn of the New Year last week, for its handling of seven million containers— the largest volume it handled in its entire history, up from six million in 2017.

“What is the logic behind a tariff hike at a time when the SLPA is already making great strides in revenues through massive transshipment volumes and when it is relieved from the debt burden of the Hambantota port?”, a trader questioned.

He also opined that what the SLPA has done is in contrary to the government’s much touted trade facilitation programme. Last week, the Export Development Board (EDB) spelled out its plans to further uplift the country’s exporter community.

The minister in-charge of Development Strategies and International Trade, Malik Samarawickrama, said the country needs to bring down the barriers to trade and should be more outward-oriented.

An exporter Mirror Business talked to said, the SLPA as a trade facilitation institution, should have reduced the charges to boost exports and helped the government to reduce cost of living of the consumers, specially at a time where transshipments are growing exponentially.

He further pointed out that a hike in charges with volume increases is not good management, and what is required is a reduction in unnecessary costs and elimination of delays to become more efficient to increase SLPA’s bottom-line performance.

Meanwhile, the hike in charges could be a double whammy for traders in the textile manufacturing sector, as they import a large volume of intermediary goods to be used in textile manufacturing.

One trader in the textile manufacturing industry claimed that the tariff revision is a clear violation of the freight payment gazette issued by the government.

He pointed out that as these tariffs are denominated in dollar terms, SLPA becomes the only beneficiary in the supply chain, which benefits from the currency depreciation.

Industry sources said that the new Ports and Shipping Minister Sagala Ratnayake and Prime Minister Ranil Wickremesinghe have been notified of the development.

“We expect a quick resolution from the minister, PM and the SLPA as it is an unjustified increase and a process change without understanding the repercussions and the country’s interest at a crucial time.

Whoever is responsible for this should be questioned for such unprofessional behavior,” insisted a trader.

Source: newsin.asia- Jan 08, 2019

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FTAs to open up markets for Vietnam

Vietnam is making great strides to increase international integration for trade expansion and investment attraction. Nguyen Minh Cuong, principal economist at the Asian Development Bank in Vietnam, provides in-depth insight on the prospects of the country’s economy in the context of the Fourth Industrial Revolution and new-generation free trade agreements such as the EU-Vietnam Free Trade Agreement and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

The early stages of the Fourth Industrial Revolution are now taking place and it will at the same time bring immense opportunities as well as formidable challenges to Vietnam. Over the past two years, there have been various discussions on the impact to the economy and how the country can be prepared to catch up and reap the benefits.

Industry 4.0 by nature is aspirational and it reflects the advanced stage of Vietnam’s transformation. It does not happen on purpose at the beginning. Rather, it evolved naturally from the digital era in the early 2000s and expanding to include Artificial Intelligence, the Internet of Things (IoT), 3D printing, Big Data, and cloud computing, with more technical innovations to come in the future.

This revolution is penetrating Vietnam incrementally and may fundamentally transform the economy. The country is enduring far-reaching economic restructuring, from labour and natural resources-driven growth to a technology and knowledge economy.

If fully maximised, these changes could help Vietnam acquire and apply the finest state-of-the art technology to promote economic growth and speed up the transition process to the knowledge economy. Industry and agriculture will have greater opportunities to improve productivity.

Efficiency gains can also be strengthened in services. The cost of trade, logistics, and transportation will fall leading to market expansion. Traditional comparative advantages would still play favourably to Vietnam at the early stage to capture the benefits, such as the demographic advantage of having more than 50 per cent of the population in working age, though this advantage will diminish rapidly in the years to come. Internet infrastructure is reasonably developed, and the country is ranked 13th among the top 20 countries for Internet usage. There are approximately 65 million Internet users in Vietnam, around 67 per cent of the population.

Challenges are, however, daunting. While some major IT corporations are fully aware of the imperatives to be prepared for Industry 4.0, by contrast, the level of engagement from most small- and medium-sized enterprises (SMEs) within Vietnam on this issue is almost insignificant.

A recent survey of 2,000 SMEs in Hanoi shows that 79 per cent are not prepared to embrace Industry 4.0. Of which, 67 per cent say it is not quite relevant to their businesses, 56 per cent are confident that they would not be affected much, and interestingly 54 per cent say it is not necessary to even pay attention to Industry 4.0.

To make it more challenging for SMEs to capture Industry 4.0 benefits, technology transfer is becoming more difficult and costlier due to stricter technological copyright and partnership. This makes it even harder for SMEs to absorb new technologies.

The labour force of Vietnam would bear the most impact if this revolution comes full force. More than 80 per cent has not received proper vocational and technical training. Skilled labour is in serious shortage.

This ongoing evolution will very soon make the abundant and low-wage labour of Vietnam the thing of the past. The sectors that may face the biggest risks are labour intensive sectors with low value addition such as agriculture, forestry, fishing, textiles and garments, and assembly.

Services sectors such as retail and wholesale, entertainment, health, and education may also be at risk due to inadequate infrastructure and shortage of skilled workers. What may happen could be a widening income disparity between skilled and unskilled workers, contributing to growing unemployment and social inequality.

Within the above context, if Vietnam is to embrace Industry 4.0 to promote economic growth and help the country breakthrough the middle-income trap, the country would need to create enabling policies and a well-defined roadmap for development of Industry 4.0; accelerate the development of ICT infrastructure; make resource allocation for research and development (R&D) and innovation compulsory; put utmost priority for building centres of excellence for technological innovation and application; top up greater resources for vocational and technical training for skills development of SMEs; redouble efforts to remove barriers to doing business; and deepen Vietnam's integration in global and regional value chains through multilateral and bilateral free trade agreements (FTAs) to facilitate technological and know-how transfer.

New-generation of FTAs in the -context of 4.0

Industry 4.0 is occurring at a time when the global economy is experiencing unprecedented trade liberalisation where multilateral trade rules are at risk due to increasing protectionism.

Conflicting trends in global trade are complicating and disrupting trade and investment flows. Adding into the complexity, tightening global financial conditions may also alter capital flows. All of these trends may not only dampen economic growth, but also may exert negative impacts on technological transfer from developed to developing countries as global and regional value chains are disrupted.

In spite of temporary setbacks to the trading system, there have been encouraging and concerted efforts by developed and developing countries to sustain the rules-based trading system.

New generation of FTAs such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU-Vietnam Free Trade Agreement (EVFTA) not only help uphold principles and values of

existing multilateral trading system, but they also facilitate the expansion of global trade rules to higher enforcement standards.

Under these FTAs, market access is guaranteed by strong political commitments and associated with sustained economic reform. All of these create an enabling environment for the infusion of Industry 4.0 from developed to developing economies through a global and regional network of productions and value chains.

Vietnam is very active in forging a fair multilateral trading system. The country is participating actively in the World Trade Organization (WTO), the Asia-Pacific Economic Cooperation (APEC), the ASEAN, and recently ratifying the CPTPP.

Vietnam would gain substantially through improved market access for its manufacturing, textile and garments, agriculture, forestry, and fishery products. Penetration of foreign service providers into Vietnam in various services would also help transfer required skill sets and technical know-how to the services sector.

Historically, FTAs take effect in Vietnam in several stages. The ASEAN Free Trade Agreement (AFTA) was the first that Vietnam joined, in 1998. Vietnam's participation marked a historical stage of the country's opening up and in trade liberalisation. The second stage started with the US and Vietnam bilateral trade agreement in 2001 which was one of the most comprehensive bilateral trade pacts between the US and a developing country.

Among others, this advanced bilateral US-Vietnam trade pact paved the way for Vietnam to advance into a more challenging stage of trade openness by joining the WTO in 2007. The participation of Vietnam in these FTAs, and the country's WTO accession have radically transformed Vietnam from a closed and command economy into one of the most open economies in terms of trade. Vietnam achieved historically high records of foreign direct investment (FDI). Export also grew rapidly.

However, despite being classed as very liberal and open, the Vietnamese economy was not genuinely integrated. The next stage comes with Vietnam's recent ratification of the CPTPP. The new generation of FTAs enables not only market access, but also ensures that Vietnam will be part of global and

regional value chains through which the country could benefit from technological transfer, and skills enhancement which are prerequisites to fully capture the benefits of Industry 4.0.

However, the flip side of the new generation of deals is that it is happening in a time when industrial evolution may radically change the structure of the global economy. Robotics would make it possible for developed markets to produce domestically more cheaply.

Flow of skilled labour, capital and technology from developed to developing countries could reverse if Industry 4.0 could knock down production costs in developed countries, which would eventually result in reconfiguration of global and regional production network and value chains. If this happens, market access for Vietnam to developed countries may become less significant.

Within this context and in addition to what is being suggested for Vietnam to embrace Industry 4.0, it is imperative for the country to speed up the economic transformation to improve economic resilience so that Vietnam is able to adjust if radical changes may happen. This transformation has to happen across sectors and within each of the sectors.

Vietnam must undergo several things. It must develop urban infrastructure to cope with rural-urban migration; build a fully-functioning multimodal transport system with railways, expressways, airports, and seaports; develop an effective logistics system that can enable efficient and quick mobility of labour, services and reducing costs to the economy; reform the labour, financial, land, and technological markets to unleash potential for economic growth; and last but not least, address the impacts of climate change.

The country's economic development has achieved encouraging results and economic growth is sustained and broad-based. Having the advantage of being a newcomer to Industry 4.0, Vietnam can shortcut the economic transformation by putting in place appropriate policies to encourage R&D, innovation, and nurture development of SMEs and the private sector.

The new generation of FTAs are opportune for Vietnam because they provide greater market access and more opportunities for greater integration in both global and regional value chains.

However, Vietnam would have to accelerate economic integration before any major changes can reverse the flow of trade, investment and services. Otherwise, the country will be left behind and remain in the middle-income trap.

Source: english.vietnamnet.vn- Jan 08, 2019

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Bangladesh: Nearly 60,000 looms shut down in 2yrs: BTMA

Nearly sixty thousands looms were shut down in last two years in the country and oven dyeing mills cut their processing capacity to 40 per cent due mainly to unbridled trading of foreign dress items in the country, said Bangladesh Textile Mills Association president Mohammad Ali Khokan.

The BTMA president made the statement while addressing a press conference at the trade body's office in the capital, Dhaka, on Monday.

The trade body arranged the briefing to announce a four-day international textile and garment machinery exhibition which will begin at the Bangabandhu International Conference Centre in Dhaka tomorrow.

Mohammad Ali said the local textile market was deteriorating day after day due to misuse of bond benefits for textile materials including foreign yarn, fabrics, salower and kamiz.

The clothing materials are brought to the country illegally and traded freely in the local market, which is one of the reasons for bad shape of the local market.

He also highlighted gas and electricity crisis as a prime barrier to investment in the textile sector.

Mohammad Ali said, 'The government imports liquefied natural gas to solve gas and electricity crisis, but it should be assured that the prices will remain at bearable level, otherwise LNG import will not bring any positive result for the sector.'

He also urged the government to allocate at least 25 economic zones to the primary textile sector.

The exhibition which will remain open for all from 12:00pm to 8:00pm is jointly organised by BTMA and Yorkers Trade and Marketing Service Company Limited to introduce local entrepreneurs with innovative machinery and transformation of technologies.

It is the 16th version of textile and garment industry machinery exhibition in Bangladesh.

Planning minister MA Mannan is expected to inaugurate the four-day event. 'We want to introduce our entrepreneurs with the latest technology in textile and garment machinery through this exposition,' the BTMA president said.

Some 1,200 machinery manufacturing organisations from 37 countries are participating in the exhibition.

The countries include Australia, Austria, Belgium, China, Czech Republic, Brazil, Croatia, Denmark, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Italy, Japan, Korea, Malaysia, Netherlands, Pakistan, Poland, Portugal, Romania, Saudi Arabia, Singapore, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, Turkey, the UK, the UAE and the USA.

Mohammad Ali said that the spot sales of machinery were \$280 million in last year and they were expecting more spot orders this year.

Bangladesh, being the second largest exporter of the readymade garments in the world, earned \$30.61 billion from export of textiles in the 2017-18 financial year, which is 83.47 per cent of the country's total export income.

Source: newagebd.net- Jan 08, 2019

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Bangladesh: Textile has room for Tk 50,000cr investment

Bangladesh has the scope to invest a fresh Tk 50,000 crore in the primary textile sector (PTS) over the next five years as the demand for locally made fabrics has been rising in both the domestic and international markets.

The government should supply energy and industrial land at a reasonable price so that the spinners and weavers feel encouraged to invest in the sector, said Mohammad Ali Khokon, president of Bangladesh Textile Mills Association (BTMA).

Currently, the local spinners can supply 85 percent of the raw materials to the export-oriented knitwear sector and 35 to 40 percent to the woven sector.

“So, Bangladesh has the opening for fresh investment in woven fabrics production,” Khokon said at a press conference at the BTMA office in Dhaka yesterday to announce the 16th Dhaka International Textile and Garment Machinery Exhibition (DTG) 2019.

The newly-elected BTMA president is hopeful that local weavers can supply 60 percent of the requirement for woven fabrics in the next five years, which will also reduce the dependence on imports, especially from China and India. Bangladeshi garment makers use 12 billion metres of fabrics in a year for making the export-oriented garment items.

Of the quantity, domestic weavers can supply 3 billion metres of fabrics, with the rest imported from India and China.

The garment manufacturers have been spending billions of US dollars every year as the domestic textile millers cannot meet all the demand.

“So, we have a very good scope for further investment in this sector. We have already demanded a separate economic zone from the government to set up new industries,” Khokon said, adding that total investment in the PTS at present is Tk 70,000 crore.

In the last one year, a total of Tk 6,896 crore was invested by entrepreneurs to set up 19 spinning mills, 23 fabrics mills and two dyeing printing mills, he said.

The main impediments for the sector are land and energy.

He demanded that the government fix the prices of liquefied natural gas at an affordable level so that the industries do not face any challenge.

The government has proposed to increase the LNG price to more than Tk 14 per unit, but the factory owners have been suggesting that the government fix a lower price. The local textile millers did not take the connections of LNG due to the higher prices fixed by the government, he said.

“We are lobbying with the government to lower the LNG prices so that the industry owners can easily get connections.”

Another problem of the sector is the illegal import of fabrics, especially from India, he said.

The local millers are capable of meeting the demand for domestic users, he said, adding that unfortunately some unscrupulous traders are meeting this demanding by illegally importing from India.

The listed textile mills have been unable to give dividends for years mainly due to higher bank interest rate, high energy prices and other operational costs. The BTMA chief said some of the old factories, which used to ensure supplies to the local market, were closed mainly due to financial problems.

The law enforcement agencies used to conduct raids in different markets to seize illegally imported sarees and other fabrics but it has stopped for the last five years.

He welcomed foreign investment in the PTS with a condition of prioritising the facilities for local investors. The fair will take place at International Convention City Bashundhara from January 9 to January 12.

This time, 1,200 textile and garment machinery producing companies from 37 countries will showcase their wares in 1,650 booths spread across 11 halls, he said.

Source: thedailystar.net- Jan 08, 2019

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Pakistan to rationalise tariffs, duties in mini-budget

Pakistan is working to rationalize the tariff structure and customs duties for the next three to four years in the next mini-budget to be presented in January 2019 to facilitate industrialisation and make those industry-friendly, according to Abdul Razak Dawood, advisor to the prime minister on commerce, textile, industry & production and investment.

Addressing the Islamabad Chamber of Commerce & Industry (ICCI) in Islamabad recently, Dawood said the new policy would be driven by industrialisation and not by revenue.

The policy would support strategic industries and strengthen import substitution industries, he said.

The aim is to raise exports up to \$50-\$150 billion by facilitating export-oriented industries, he said.

Among the free trade agreements (FTAs) and preferential trade agreements (PTAs) signed with five countries, except for the FTA with Sri Lanka, all other agreements were not favourable for Pakistan, he said.

Hence, the government is working to revise those FTAs and the second phase of the FTA with China would be completed by June 2019, he added.

Source: fibre2fashion.com- Jan 07, 2019

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NATIONAL NEWS

CAI lowers cotton crop estimate for 2018-19 to 335 lakh bales

The Cotton Association of India Monday lowered its December estimate of the cotton crop by 5.25 lakh bales than its previous estimate to 335 lakh bales for the 2018-19 season.

The decline is mainly due to farmers uprooting cotton plants due to moisture deficiency following deficient rainfall, CAI said in a release here.

Earlier, in the November estimate, CAI had projected 340.25 lakh bales.

The CAI has reduced the crop estimate for Gujarat, Maharashtra and Telangana by 1.50 lakh bales at 80.30 lakh bales, 2 lakh bales at 71.25 lakh bales and 2 lakh bales at 46.90 lakh bales, respectively.

Total cotton supply projected by the CAI during the period from October 2018 to December 2018 at 142.50 lakh bales consists of the arrival of 115.97 lakh bales, imports of 3.53 lakh bales and the opening stock at the beginning of the season estimated at 23 lakh bales.

Further, the CAI has estimated cotton consumption during October-December 2018 at 80 lakh bales while the export shipment of cotton up to December 31, 2018 has been estimated at 17 lakh bales.

Stock at the end of December 2018, is estimated at 45.50 lakh bales including 30 lakh bales with textile mills and the remaining 15.50 lakh bales with Cotton Corporation of India (CCI) and others including MNCs, traders, ginners among others.

The total cotton supply till end of the cotton season, up to September 30, 2019, has been estimated at 385 lakh bales consisting of the opening stock of 23 lakh bales at the beginning of the season, cotton crop for the season estimated at 335 lakh bales and imports estimated at 27 lakh bales, which are higher by 12 lakh bales from the previous year's import estimated at 15 lakh bales.

CAI has estimated domestic consumption of 320 lakh bales which is lower by 4 lakh bales compared to the consumption estimated during the last month.

The estimated exports for the season 2018-19 at 51 lakh bales, which are lower by 18 lakh bales compared to the export of 69 lakh bales estimated during the last year.

The carry-over stock at the end of the 2018-19 season is estimated at 14 lakh bales.

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

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India, Norway to sign bilateral trade pact on Tuesday

India and Norway will sign an agreement on Tuesday to improve bilateral trade, said a top official.

The agreement will look at issues such as trade barriers and areas of collaboration. Bilateral trade stands at \$1.2 billion between the two countries.

Norwegian Prime Minister Erna Solberg, who began a three-day India visit on Monday, said her country sees great scope for partnerships with India in business, trade and investments. Norway recently launched a new strategy to strengthen its economic ties with India.

Addressing the India-Norway Business Summit here on Monday, Solberg said : “Private sector engagement, research and technical cooperation are the key components of the strategy.

It focuses on the oceans, energy and the environment, and on increased cooperation between our countries at a political level.”

Commerce Minister Suresh Prabhu said the Centre will sign an agreement to facilitate dialogue between India and Norway to increase bilateral trade substantially in the next few years.

Free trade talks

A free trade agreement is on the agenda. “We are doing what we can to ensure that the Trade and Economic Partnership Agreement between EFTA (European Free Trade Association) and India is finalised soon,” said Solberg.

“This agreement will contribute to increased trade and a better environment for our businesses. We, therefore, welcome the Indian government’s efforts to cut red tape and make it easier for foreign companies to invest in India.”

India and EFTA countries Iceland, Liechtenstein, Norway and Switzerland have been working on a trade agreement for a while now.

Helge Tryti, Commercial Counsellor, Norwegian Embassy, said the countries are working to finalise it soon.

Source: thehindubusinessline.com- Jan 07, 2019

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Tamil Nadu to host sourcing show Ind Texpo on January 27

Ind Texpo will be held in Tamil Nadu from January 27 to 29, 2019. This is a reverse buyer seller meet. The objective is to promote the textile and clothing sectors.

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

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

Efforts will be undertaken to invite over 150 buyers from around the world. Major textile associations all over the world have been invited to lead importers’ delegation to visit the show.

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

Visitors will include buyers and importers of all textile items including fabric made-ups, home textiles, garments and yarns. Exhibitors include manufacturers and exporters of fabrics, made-ups and home textiles of various fibers, designs and blends.

Source: fashionatingworld.com- Jan 07, 2019

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TEXPROCIL seeks interest subvention from government for cotton yarn

‘It is the only product not given benefit under foreign trade policy’

The Cotton Textiles Export Promotion Council (Texprocil) has appealed to the Union Government to include cotton yarn in the Interest Equalisation Scheme for pre- and post-shipment rupee export credit.

Council chairman K.V. Srinivasan has said in a statement that the Cabinet Committee on Economic Affairs (CCEA) recently approved the inclusion of merchant exporters in the scheme.

Interest Equalisation Scheme at 5 % is available for pre and post-shipment credit on export of all products manufactured and exported by micro, small and medium-scale enterprises (MSMEs) and 3% on 416 specific tariff lines for non-MSMEs.

However, it had available only for manufacturer-exporters so far. In textiles, 35% to 40% of exports are through merchant exporters. The MSMEs constitute a significant part of the textile sector.

But, they mostly depend on merchant exporters. The government had recently approved extending the scheme to merchant exporters and this would benefit the industry.

Further, the benefits are available for all types of fabrics, apparel, and made-ups. It should be made available for cotton yarn too.

“Cotton yarn is the only product which has not been given any benefit under the foreign trade policy although it is a value added product,” he said.

Source: thehindu.com - Jan 05, 2019

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Cotton Hurt by Fall in Crude, Low Demand

Decline in crude oil prices and sluggish demand have hit the entire cotton value chain, leaving stakeholders complaining about cash crunch as money has been locked up in inventories and prompting yarn manufacturers to cut prices. The monthly yarn price declared at Tirupur has been cut by ₹ 10 per kg.

“China is not buying much yarn. There is overcapacity in the market and the payment cycle has been affected,” said Nishant Asher, partner, RS Asher.

Export demand has reduced as Indian cotton has turned more expensive than that in the international market.

Now, only mills are buying as per their requirement, said traders. Discount on gold being offered by dealers this week Global price on Monday Price in India on Monday

“Flow of cash is a problem all over the cycle. Cotton demand is less across the world while funds have been tied up in inventories,” said G Radhakrishnan, president, Coimbatore Cotton Association.

With crude oil prices falling, polyester has become more attractive, adding to the sluggishness in cotton cycle.

The impact has been felt even on cotton prices, which declined in the past few weeks. “There is not much demand for cotton. Prices have also declined,” said Pradeep Jain, president, Khandesh Ginners Association.

CAI LOWERS ESTIMATE

Meanwhile, the Cotton Association of India (CAI) has released its December estimate of the cotton crop for the 2018-19 season.

It has revised the estimate to 33.5 million bales, 1.54% lower than its previous estimate of 3.40 million bales.

Source: pressreader.com - Jan 08, 2019

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Jute exports have risen 24% in 5 years

Jute exports have grown nearly 24 per cent since 2014, Union Textiles Minister Smriti Irani said here on Monday. There has been steady improvement in the health of the domestic jute industry, she added.

“Exports of diversified jute products have grown nearly 24 per cent since 2014,” Irani told newsmen on the sidelines of ‘Artisan Speak & Jute Expo’, a textiles outreach initiative of her ministry. Irani has been suggesting to the jute industry to reduce its dependence on government orders and go for product diversification, which would in turn boost exports.

“I would request the jute industry to take into consideration the welfare of farmers and workers. Whenever the industry gets any packaging order from the Centre they should pay the farmers and workers first,” she said.

As many as 3.7 lakh mill workers are directly employed by the jute industry apart from several lakh farmers who are a part of the sector.

Industry expo

The four-day Artisan Speak and Jute Expo will have delegates from 14 nations. More than 70 buyers are participating in the programme.

According to Textiles Secretary Raghvendra Singh, the Centre has been trying to find ways and means to enhance the income of weavers and to connect them to garments manufacturers to increase their margins.

Source: thehindubusinessline.com - Jan 07, 2019

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The first-ever fashion showcase at the iconic Red Fort celebrated the textile heritage of India

The Ministry of Textiles organised ‘Artisan Speak’ on Saturday, an event to showcase India’s textiles and honour the people behind the loom.

On a cold January evening, a host of political leaders, government officials, entrepreneurs and artisans got together at the newly refurbished Red Fort complex, not for any political event but to celebrate the artisans of India from the ramparts of the historic monument.

The Ministry of Textiles organised ‘Artisan Speak’ on Saturday, an event to showcase India’s textiles and honour the people behind the loom, at Red Fort’s Sawan Pavilion, with the stunning Zafar Mahal forming the backdrop.

Union Minister for Textiles, Smriti Z Irani, presented Special Recognition Awards to seven individuals and an organisation for their contribution to the textile sector, while also honouring 13 master artisans for their work in the handloom industry.

These weavers — six Padma Shri awardees and seven Sant Kabir awardees — included Ramkishore Chippa from Rajasthan, an expert in Bagru and dabu hand blockprinting, Gajam Anjaiah from Andhra, who weaves Ikat and Kota saris, and Langpoklakpam Subadani Devi from Manipur, known for her work in art weaving.

Irani called the event “historic” as it brought together weavers and fashion designers on a single platform. Raghvendra Singh, Secretary, Ministry of Textiles, added, “While planning an event of this scale at Red Fort, we kept the sensitivity of the monument in mind.

The event marks the beginning of an outreach programme by the Ministry towards the artisans, by linking them with the verticals of big garment manufacturers.” A similar programme was organised at Kolkata’s historic Old Currency Building on Monday evening, while the Ministry also plans to hold such events in other parts of the country.

Even as the weavers didn't speak at the event, their presence in the front row of the fashion gala spoke for itself.

The ceremony gave way to a fashion showcase by some of India's top designers known for working with traditional textiles and craft — Anita Dongre, Anju Modi, Gaurang Shah, Rahul Mishra, Rajesh Pratap Singh and Rohit Bal. One saw a melange of chikankari, gotta-patti and kanjeevaram, being juxtaposed against the rich history of the venue.

Mishra presented a chikankari-heavy collection of saris, long jackets and dresses in muted shades of white, teal, beige and baby pink, while Shah presented kanjeevaram saris in bold hues in the trademark gold weave.

Dongre struck to her forte and presented a velvet-heavy collection embellished with her signature gotta-patti, whereas Bal brought in an Elizabethan flair to the evening with his voluminous gowns that had fitted vicaresque collars and sleeves, in shades of white.

Singh played on the overwhelming levels of pollution in Delhi by pairing face masks with white ensembles and gold sneakers. Modi, too, presented an ornate and heavily embellished collection.

Fashion Design Council of India (FDCI) president Sunil Sethi, organisers of the show, said: "This was an evening of firsts — the first time that such an event was held in the surreal setting of Red Fort; the first time that we paid tribute to India's top master weavers and crafts persons; and, most certainly, the first time that these artisans came together on a common platform with fashion designers and other creative individuals who have contributed so much to the textile industry."

Sethi also bagged the Special Recognition Award for promoting handicraft and textiles, and for his pursuit of the Made in India ideology. Meanwhile, the Outstanding Achievement Award was conferred upon textile designer and conservationist Madhu Jain, who has introduced India to bamboo fibre, an eco-friendly alternative textile, and also developed the world's first bamboo-silk Ikat textile.

Source: indianexpress.com - Jan 08, 2019

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India should tap newer markets for textile industry

The textile industry should develop a culture of innovation, diversify products and tap newer markets for increasing India's exports share in the global market, said M Venkaiah Naidu, Vice President of India while presenting Textile Awards in New Delhi. As many as 17 persons were honoured for their outstanding contribution in different fields of textiles.

Naidu also presented the Threads of Excellence Awards to various organisations and individuals who have shown their excellence in the textile industry. Speaking on the occasion, Naidu said that the textiles sector is playing a pivotal role in the economy and it needs to be recognised and respected by all. He said that the textiles ministry has taken several initiatives during the last 4 and half years, which will yield rich dividends and help India become one of the three largest economies of the world.

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

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

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

We have to come up with innovative and exclusive products if we have to expand our footprint in the global arena." He also stressed the need for promoting waterless dyeing by adopting new technology.

"The continued growth and global competitiveness of the textiles industry can drive the economy to new heights. However, the sector needs to improve supply chains and internal systems, focus on research and development, cost optimisation (saving cost by vertical integration, etc.) and scaling-up to achieve greater competitiveness and command a higher share in the production and export of top items traded in global markets," explained Naidu.

The improved ranking of India in 'Ease of Doing Business' is expected to generate more business and attract FDI into India.

Many foreign companies have set their sights on India as a future destination of big investments due to availability of technology, cheap and skilled labour and abundant raw material. All this bodes well for the textile industry, he concluded.

Source: fibre2fashion.com - Jan 07, 2019

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Rahul Mishra, Rajesh Pratap Singh and Aneeth Arora awarded by Textiles Ministry

A day after hosting the historic 'Artisan Speak' fashion event at the Red Fort, the Ministry of Textiles recognised and awarded weavers, artisans, designers and others who have contributed to the promotion of textiles and Indian craft globally.

At an event titled 'Accomplishments And Way Forward For Textiles Sector', Union Textiles Minister Smriti Irani and Vice President M Venkaiah Naidu conferred the 'Threads of Excellence' award on 17 people from the textiles sector. Designers Rahul Mishra, Rajesh Pratap Singh, Aneeth Arora and Fashion Design Council of India (FDCI) President Sunil Sethi were among the awardees from the fashion fraternity.



(L to R) Designer Rahul Mishra, Minister of State for Textiles Ajay Tamta, President FDCI, Sunil Sethi, designer Aneeth Arora and designer Rajesh Pratap Singh

Rahul Mishra, who was awarded for being "the international face of Indian fashion who has contributed to placing

Indian fashion on the world map", told us that the Ministry of Textiles had appointed a jury to select the awardees. "I have received many awards so far, including some international ones, but this is my first award which has the National Emblem on it. It is a matter of great pride for me and my family.

My father has never accompanied me to any fashion awards, but he was with me at the award ceremony on Sunday, and this is one award which he is proud of. I have been given this award for representing Indian craft globally and for textile innovation. I have been doing this for years and recognition from the ministry means a lot to me.

Years ago, it was rare that a fashion designer would get to be on the same stage as ministers and politicians, but it's all happening now. Finally, it is being recognised that fashion is not just about vanity, it is about craftsmanship and working with weavers, and providing employment to them," said Rahul.

Aneeth and Rajesh too said that the biggest reward is the recognition that the fashion industry is now getting from the Ministry of Textiles. "I think the three of us stood at the award ceremony as representatives of the fashion industry and many other designers who have been working with weavers and textiles from different regions of the country to make a mark globally.

This kind of support from the ministry will inspire many other young designers to work with weavers and promote handloom and textiles," said Rajesh.

Aneeth, who was awarded for sustainability, textile innovation and utilizing India's indigenous skills and knowledge of ancient textiles and clothing traditions, feels that these awards also show how government is working to bring together different sectors in textiles and encouraging more designers to work closely with weavers.

“We have been working in collaboration with over 1,000 weavers from across the country to innovate hand woven, dyed and printed textiles. Each year, we identify five Indian regions and work with over 500 weavers to create a collection of global standards. The idea is to present Indian weaves and craft at international platforms,” said Aneeth.

Source: timesofindia.com - Jan 07, 2019

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