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The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

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US 72.04| EUR 80.31 | GBP 94.51| JPY 0.66

Cotton Market

Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm

Rs./Bale	Rs./Candy	USD Cent/lb
19091	39900	**70.55**

Domestic Futures Price (Ex. Warehouse Rajkot), January

Rs./Bale	Rs./Candy	USD Cent/lb
19760	41298	**73.02**

International Futures Price

NY ICE USD Cents/lb (March 2020)	69.83
ZCE Cotton: Yuan/MT (May 2020)	14,175
ZCE Cotton: USD Cents/lb	92.46
Cotlook A Index – Physical	**78.75**

Cotton Guide- The trend of ICE Cotton futures is on the rise. However, yesterday the prices have taken a dip after the market participants withdrew after profit taking.

The investors were seen to book profits as the prices are on a seven month high. 69.39 cents per pound was the figure seen in the month of May.

The prices bottomed out in late August and have thus been on a continuous rise. Cotton has arisen approximately 24% after touching the three year low in August. Currently the ICE March at 10:50 am is trading at 69.31 cents per pound.

The ICE March contract settled at 69.83 cents per pound with a change of -21 points. The ICE May contract settled at 70.97 cents per pound with a change of -12 points. The ICE July contract settled unchanged at 71.84 cents per pound. The volumes were at 25,430 contracts.

The Cotton speculators are seen to have increased their net long positions by 2,303 contracts to 6,219 contracts [based on the recent CFTC data of Dec 31,2019]. In other words, markets participants are bullish.

On the MCX front, the prices are seen to rise continuously, mostly with 2 digit numbers and rarely by 3 digit numbers. The MCX January contract settled at 19,760 Rs per Bale with a change of +20 Rs. The MCX February contract settled at 20,040 Rs per Bale also with a change of 20 Rs. The total volumes were again higher at 1716 lots.

The Cotlook index A has been updated at 78.75 cents per pound with a change of +70 points. The prices of Shankar 6 are at 39,900 Rs per Candy which is considered as the average Indian Price.

On the fundamental front, the market participants are awaiting for two reports, first, the US EXPORT SALES REPORT and second the WASDE Report. We expect lower supply figures to emanate from WASDE report. Also the sales data is presumed to be neutral due to lower transactions during the New Year Holidays. Nevertheless, we expect prices the monthly trend to be positive for Both ICE and MCX.

On the Geopolitical front, we expect crude oil prices to increase and thus cotton to increase as there is news coming in from the middle east about escalating tensions between US and IRAN. The Iranian media have reported- fire of more than a dozen missiles at US Forces in Iraq.

On the technical front, in daily chart, ICE Cotton March price are at the support of the lower end of an upward sloping channel. Along with the support of 5 & 9 day EMA at 69.47, 69.19, which is followed by 50% Fibonacci extension level at $68.44. The momentum indicator RSI at 62, having retraced from around overbought zone, implies some correction in price.

The immediate resistance for the price is the previous high ($70.25) & the 76.4% Fibonacci extension level ($70.94). Thus for the day we expect price to trade in the range of 68.40-70.50 with a sideways bias. In MCX Jan Cotton, we expect the price to trade within the range of 19500-19850 with a sideways to negative bias.

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

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	Topics
1	USA: Textile and Apparel Imports See Monthly, Annual Decreases
2	Another bad month for Chinese Apparel Imports in November, as erosion continued
3	Latest China tariff exclusions include some textiles
4	Here are All the Free Trade Agreements the United States Has
5	Taiwan firms see risks, benefits from trade war
6	Bangladesh: Govt sets RMG export target at $50b in FY21
7	Bangladesh: Govt to give 1% addl cash incentive to garment exporters
8	Bangladesh: Apparel exports finally get promised cash incentive
9	2nd phase of China-Pakistan FTA becomes operational
10	CPFTA-II: Tariff line with zero tariff products to gradually increase from 35% to 75%: Chinese FM spokesperson

	NATIONAL NEWS
1	Govt taking steps to simplify taxation; curb harassment of taxpayers: FM
2	Nine-point plan firmed up to plug GST revenue leaks
3	At 5%, GDP growth to hit 11-year low in FY20
4	India facing strong headwinds as it eyes a happier new year for trade
5	Maharashtra Cotton Federation eyes 1-mln-bale procurement 2019-20
6	No Re payment woes for Iran exports: Uco bank
7	MSMEs, exporters: Government will soon eliminate these two fundamental problems of your business
8	India's textile industry faces large growth potential
9	India to hit $7 bn in MMF textiles exports in 2020: SRTEPC
10	Hyderabad attracting retail brands despite economic slowdown

INTERNATIONAL NEWS

USA: Textile and Apparel Imports See Monthly, Annual Decreases

The Department of Commerce's Office of Textiles and Apparel reports that monthly imports of cotton, wool, manmade fiber, silk blend, and non-cotton vegetable fiber textile and apparel products totaled 5.31 billion square meter equivalents in Novembe

Textile imports totaled 3.48 billion SME, down 9.8 percent for the month and 2.0 percent from the previous year, while apparel imports of 1.83 billion SME were down 23.8 percent from October and 9.4 percent from a year before.

	SME	Monthly change %	Annual change %	$ Value	Monthly change %	Annual change %
China	2.52 billion	-17.1	-12.0	$2.28 billion	-25.0	-27.0
India	514.5 million	-2.2	+6.1	$598.1 million	-11.5	+1.6
Vietnam	366.4 million	-24.0	+10.9	$943.2 million	-30.6	+5.2
Pakistan	244.9 million	+3.2	+10.4	$233.9 million	-11.6	-4.2
Mexico	194.9 million	-13.5	-8.0	$332.4 million	-14.7	-11.0
Korea	161.6 million	-7.1	+1.7	$75.4 million	-9.0	-2.8
Bangladesh	155.9 million	-14.0	+6.3	$430.6 million	-20.0	+11.6
Indonesia	100.6 million	-29.0	-9.0	$304.4 million	-32.3	-10.0
Cambodia	99.6 million	-23.3	+32.2	$228.9 million	-24.2	+28.9
Honduras	88.9 million	n/a	-0.9	$237.8 million	n/a	+2.3
Turkey	87.3 million	-10.0	+33.3	$170.3 million	-7.5	+18.0
Canada	76.2 million	-1.6	-9.8	$106.7 million	-7.3	-1.0
Taiwan	58.4 million	-24.6	-26.0	$44.1 million	-21.4	-9.8

Overall Imports. Total year-to-date imports were 64.7 billion SME, up 2.6 percent from the previous year, as textile imports gained 4.2 percent to 38.8 billion SME and apparel imports rose 0.3 percent to 25.8 billion SME.

For the year ending in November imports were 70.2 billion SME, up 3.3 percent from a year earlier, as textile imports increased 4.8 percent to 42.3 billion SME and apparel imports rose 1.0 percent to 27.91 billion SME.

Source Countries. OTEXA has reported the following statistics on textile and apparel imports from major source countries for November 2019.

Source: strtrade.com - Jan 08, 2020

HOME

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Another bad month for Chinese Apparel Imports in November, as erosion continued

The diversification of apparel sourcing away from China continued in earnest in November, even before companies knew potential increases in tariffs in December were cancelled.

According to new data released Tuesday by the U.S. Commerce Department's Office of Textiles & Apparel (OTEXA), U.S. apparel imports from China were down 31 percent in November to a value of $1.38 billion compared to $2 billion a year earlier. This followed a 35 percent plunge in October to a value of $2.03 billion from $3.12 billion the prior year.

In volume, apparel imports from China fell 20 percent to 678.62 million square meter equivalents (SME) from 852.15 billion SME in November 2018, according to OTEXA. It followed a 30 percent volume declined the prior month.

This contributed to the trade deficit with China decreasing $2.2 billion to $25.6 billion in November. Exports increased $1.4 billion to $8.9 billion and imports decreased $0.8 billion to $34.5 billion, according to the U.S. Census Bureau and the Bureau of Economic Analysis.

The U.S. trade deficit was $43.1 billion in November, down $3.9 billion from $46.9 billion in October, the bureaus also reported. The decrease reflected a decline in the goods deficit of $3.9 billion to $63.9 billion and a decrease in the services surplus of less than $100 million to $20.8 billion.

While the erosion of apparel sourcing from China by U.S. brands and retailers has been ongoing throughout the tariff-driven U.S.-China trade war, the dramatic drop-offs in the past few months were driven in part by companies bringing goods in before the Sept. 1 imposition of 15 percent tariffs on Chinese imports.

"People tried to lock on and get their product in early this year," Julia Hughes, president of the U.S. Fashion Industry Association, said.

The year-to-date figures are likely more indicative of the shifts in sourcing caused by the threat of increased prices and political strife, and the imperative to reduce risk even as many firms still prefer Chinese production quality to most competitors.

U.S. apparel imports from China for the first 11 months of the year fell 7.59 percent to a value of $23.51 billion. This brought China's import market share–still in the top slot–down 6.63 percent to 30.25 percent in value terms for the year through November.

Suppliers, largely Asian, are stealing away that market share, but Western Hemisphere makers also have gained as well. Apparel shipments from No. 2 Vietnam rose 10.37 percent year to date to $5.51 billion, but were down 12 percent to $281.94 million for the month compared to November 2018. Vietnam's market share stood at 15.93 percent, a 10 percent gain for the year.

The move by importers to bring goods in early, as well as fears of holding too much inventory, led to a 9.4 percent decline in apparel imports from the world in November to $1.83 billion from a year earlier. Year-to-date apparel imports were up 0.3 percent from the same period in 2018 to $25.83 billion.

Among other top Asian suppliers, imports from Bangladesh increased 10.09 percent so far this year to $5.51 billion, as shipments from India rose 6.73 percent in the period to $3.81 billion, imports from Cambodia were up 11.41 percent to $2.49 billion and shipments from Pakistan gained 5.99 percent to $1.33 billion.

In the Top 10 Western Hemisphere suppliers, imports from Mexico fell 6.13 percent year to date to $2.92 billion and El Salvador's shipments were down 2.74 percent to $1.7 billion, while imports from Honduras increased 9.52 percent to $2.56 billion. Overall shipments from the Western Hemisphere rose 1.28 percent to $13.2 billion in the period.

On a smaller scale, imports from Sub-Saharan Africa countries were up 16.66 percent in the first 11 months of the year to $1.33 billion. Key contributors included Kenya, Madagascar and Ethiopia.

Source: sourcingjournal.com - Jan 07, 2020

HOME

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Latest China tariff exclusions include some textiles

The United States Trade Representative has announced more retroactive exclusions from List 3 tariffs.

And some might be interest to members of the Home Fashion Products Association (HFPA), noted the organization's legal counsel Robert Leo.

In his first email to HFPA members in 2020, Leo shared a list. Each item leads with USTR's number for the exclusion, as listed in the Federal Register:

- 7: Woven fabric of 100% textured polyester filaments, dyed, weighing more than 170 g/m2, measuring not more than 310 cm in width (described in statistical reporting number 5407.52.2060)
- 8: Woven fabric of synthetic filament yarn containing 85% or more by weight of textured polyester filaments, dyed, measuring 249 cm in width, weighing more than 170 g/m2 (described in statistical reporting number 5407.52.2060)
- 9: Woven dupioni fabric wholly of non-textured dyed polyester filaments, weighing not more than 170 g/m2, measuring not more than 310 cm in width (described in statistical reporting number 5407.61.9930)
- 10: Woven fabric wholly of polyester, dyed, not flat, containing non-textured polyester filaments, weighing not more than 170 g/m2, measuring not over 310 cm in width (described in statistical reporting number 5407.61.9930)
- 11: Woven fabric wholly of polyester, dyed, containing non-textured polyester filaments, weighing more than 170 g/m2, measuring not over 310 cm in width (described in statistical reporting number 5407.61.9935)
- 12: Woven fabric containing by weight 47% of nylon and 53%of polyester, dyed, containing textured filaments, weighing not more than 170 g/m2, measuring greater than 274 cm in width (described in statistical reporting number 5407.72.0015)
- 13: Woven dyed fabrics wholly of spun polyester, weighing more than 240 g/m2 and measuring not more than 310 cm in width (described in statistical reporting number 5512.19.0090)
- 14: Woven dyed three-thread twill fabrics containing by weight 65% of polyester and 35% of cotton staple fibers, not napped, weighing more

than 200 g/m² and exceeding 310 cm in width (described in statistical reporting number 5514.22.0020)

- 16: Woven dyed embroidery fabrics containing by weight 55% of polyester and 45% of nylon, weighing less than 115 g/m2 and measuring 289 cm in width (described in statistical reporting number 5810.92.9080)
- 34: Hand pumps (other than for fuel or lubricants, not fitted or designed to be fitted with a metering device), each used to dispense a metered quantity of liquid soap or sanitizer (described in statistical reporting number 8413.20.0000)
- 66: Baby crib liners, each composed of two pieces of multi-layer warp polyester knit mesh without any padding, one measuring no more than 29 cm by 283 cm and the other measuring no more than 29 cm by 210 cm (described in statistical reporting number 9403.90.6005)

These exclusions are retroactive to Sept. 24, 2018, and are in effect until Aug. 7, 2020.

"There is the opportunity to 'piggyback' on these exclusions, but your product must meet the exact description and HTS subheading," noted Leo, who is a partner at Meeks, Sheppard, Leo & Pillsbury. In his memo, Leo also reminded HFPA members of President Trump's recent tweet that he will sign the Phase One trade agreement with China in Washington, D.C. on Jan. 15.

"There are still no details of the agreement available publicly or even for cleared advisors – like me – from the private sector," Leo said. "The good news is that the additional tariffs on List 4B remain suspended 'indefinitely'." Also, he said, the additional 15% tariffs on products on List 4A are supposed to be reduced, reportedly to 7.5%, after Phase One is signed. But, he warned, there has not been confirmation of that reduction or its timing.

"Earlier reports stated that the reduction would be effective 30 days after the signing. More recent reports suggested that the reduction could be effective 'right after' the signing," Leo continued. "Please note there is no certainty on this and all reports are just rumors at this time."

Source: hometextilestoday.com - Jan 07, 2020

HOME

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Here are All the Free Trade Agreements the United States Has

Now that the U.S.-Mexico-Canada Agreement (USMCA) has passed the House of Representatives, with the backing of the domestic textile sector and apparel importers, and appears headed to enactment, it will replace the North American Free Trade Agreement (NAFTA), the 26-year-old pact with Mexico and Canada.

It will also join free trade agreements (FTAs) in force with 20 countries, accounting for about 15 percent of all apparel and textiles imports. The largest two pacts for the apparel and textiles industry are NAFTA and the Central American Free Trade Agreement (CAFTA).

The FTAs eliminate or reduce tariff rates, improve intellectual property regulations, open government procurement opportunities and ease investment rules.

They are meant to help level the global playing field and encourage foreign governments to adopt open and transparent rule-making procedures, as well as non-discriminatory laws and regulations.

NAFTA

Implemented Jan. 1, 1994, NAFTA is said to be responsible for more than 12 million through trade with Canada and Mexico. U.S. manufacturers export more Made in America manufactured goods to its North American neighbors than they do to the next 11 largest export markets combined, and the two countries account for nearly one-third of U.S. agricultural exports, including cotton.

According to the Commerce Department's Office of Textiles & Apparel, the U.S. imported $6.52 billion worth of apparel and textiles in the first 10 months of 2019. About two-thirds of this amount was apparel from Mexico.

The U.S. exported $9.63 billion in apparel and textiles under the pact in the same period.

CAFTA

The agreement entered into force on March 1, 2006 between the U.S. and five Central American countries–Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, and the Caribbean nation of the Dominican Republic.

Prior to CAFTA, the textile and apparel trade with Central America and the Dominican Republic benefited from the Caribbean Basin Trade Partnership Act (CBTPA), a unilateral trade program.

The U.S. imported $7.59 billion in apparel and textiles in the first 10 months of 2019, with approximately 75 percent of those goods meeting the criteria for duty-free treatment. U.S. exports to the region were $3.02 billion in the period, that vbast majority in fabric and yarn.

Additional FTAs are in place with:

Israel

The first FTA the U.S. signed was the U.S.-Israel Free Trade Area Agreement (USIFTA) in 1985. Under the accord, the U.S. and Israel agreed to phased tariff reductions culminating in the complete elimination of duties on all products by Jan. 1, 1995.

Most tariffs between the U.S. and Israel have been eliminated as agreed, although tariff and non-tariff barriers continue to affect a certain portion of U.S. agricultural exports, OTEXA noted. The U.S. imported $237.76 million in apparel and textiles in the year to date through October and exported $66,574 worth of goods.

Australia

Entered into force on Jan. 1, 2005. The U.S. imported $38.2 million in qualifying goods in the first half of 2019 and exported $241,547 worth.

Bahrain

Entered into force Aug. 1, 2006. The U.S. imported $57.18 million in industry goods in the period and exported $7,538 worth.

Chile

Entered into force on Jan. 1, 2004. The U.S. imported $18.752 million in textiles and apparel in the period and exported $150,224 in goods.

Colombia

The agreement was implemented on May 15, 2012. The U.S. imported $258.33 million in apparel and textiles under the accord in the first half of 2019 and exported $122,332 in goods in the period.

Jordan

Entered into force on Dec. 17, 2001. The U.S. imported $1.66 billion in industry goods in the period and exported $8,249 worth.

Morocco

Implemented on Jan. 1, 2006. The U.S. imported $128.39 million in apparel and textiles in the period, but only $4.04 million qualified under the FTA criteria due to the use of third-party fabric. U.S. exports were $38,894, nearly all yarn.

Oman

Implemented on Jan. 1, 2009. There is little trade between the two countries.

Panama

Implemented on Oct. 31, 2012. The U.S. imported $6.93 million worth of apparel and textiles in the period, but almost none of it qualified for duty-free status. U.S. exports were valued at $37,057.///

Peru

The United States-Peru Trade Promotion Agreement (U.S.-Peru TPA) entered into force on Feb. 1, 2009. The U.S. imported $610.78 million in industry goods in the period and exported $66.337 in goods, mostly yarn and fabric.

Singapore

Entered into force Jan. 1, 2004. Only about 25 percent of the $16.82 million worth of U.S. imports qualified for duty-free status in the period. Exports totaled $99,290.

South Korea

Entered into force on March 15, 2012. The U.S. imported $1.16 billion in apparel and textiles in the first half of 2019 and exported $269,552 in apparel, yarn and fabric.

Source: sourcingjournal.com - Jan 07, 2020

HOME

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Taiwan firms see risks, benefits from trade war

Textile exporters of Taiwan have welcomed a US ruling on dumping of polyester textured yarn by Chinese and Indian companies, but those operating in Vietnam see risks instead of new business opportunities as a result of the US-China trade war.

As Taiwanese textile exporters welcomed a November 2019 US ruling that is expected to benefit them, the past year witnessed Taiwanese firms operating in Vietnam foreseeing risks instead of new business opportunities while State-run oil supplier CPC Corp opened an office in New Delhi as part of its plans to set up a plant in India and forge ties with the petrochemicals industry there.

The biggest development of the year for industry came in the form of a far-reaching November 14 ruling by the US department of commerce that said exporters from China and India had been dumping polyester textured yarn (PTY) in the US market at margins ranging from 76.07 per cent to 77.15 per cent and 17.62 per cent to 47.51 per cent respectively.

Textile exporters of Taiwan perceived this as a chance to compete in a fair market. The investigations were launched after Nan Ya Plastics Cor. America, a subsidiary of Taiwan's Nan Ya Plastics Corp, and US-based Unifi Manufacturing, Inc. filed a petition against Chinese and Indian exporters.

As things stand, Chinese firms that face heavy US tariffs are likely to sell their products in the domestic market, which would tighten the competition for Taiwanese companies operating in China.

But, a group of Taiwanese firms that have operated in Vietnam long before the US-China trade war foresees risks instead of new business opportunities. According to Shen Hsien-yu, president of the Council of Taiwanese Chambers of Commerce in Vietnam, Taiwanese firms there have supply chains and partners to meet orders from existing customers. As a result, they do not have the capacity to take on new orders from companies shifting away from China-based manufacturers.

Ventures abroad

The State-run oil supplier CPC Corp opened an office in New Delhi in December as part of its plans to set up a plant in India and forge ties with the nation's petrochemicals industry. At the opening ceremony, CPC president Lee Shun-chin said the step symbolised efforts for a presence in India to back Prime Minister Narendra Modi's Make in India initiative.

Lee said CPC's decision also reflected the government's new south-bound policy that promotes exchanges with the Association of Southeast Asian Nations (ASEAN), South Asian countries, Australia and New Zealand to reduce Taiwan's economic reliance on China. CPC is negotiating with the Indian Oil Corporation (IOC) to jointly set up a $800 million plant in India to produce propylene derivatives.

Meanwhile, leading Taiwan-based curtain manufacturer and seller Nien Made Enterprise Co Ltd in August announced plans to expand in Cambodia to avoid the fallout from the US-China trade war. The firm will expand its production line in Southeast Asia and shift orders for finished products from China to Cambodia. Currently, about one-third of the company's readymade products are made in China, but it plans to gradually shift the bulk of its operations to Cambodia over the next few years.

Taiwan's Eclat Textile Co too is planning to invest $170 million-in Indonesia to expand production, diversify risk and boost capacity. A board meeting in September approved the decision to route funds into Indonesia in three stages beginning October.

The first phase investment will be over by 2020-end and build a garment factory to produce a million units per month. It aims to roll out products for the Association of Southeast Asian Nations (ASEAN) market and China. The second stage will start in 2021 and build another plant, with a monthly capacity of 1 million units. The third stage will involve building of a weaving mill with a monthly capacity of a million kilograms.

To address a lack of capacity and labour in Vietnam this year, Eclat has found new outsourcing factories and will ramp up its own capacity by 15 per cent next year. The firm is expected to face a capacity shortfall of 1.8-2.2 million pieces per month next year against rising orders from its major brand clients.

So, the company plans to raise its monthly garment output to more than 10 million pieces next year, from an estimated 8.5-8.8 million pieces this year. Eclat plans to lift its capacity utilisation rate from 80 per cent to 95 per cent at factories in southern Vietnam, which should generate an additional 800,000 pieces per month. Eclat operates in Taiwan, Vietnam and Cambodia.

Another Taiwanese firm, Chromuch, an innovator in sustainable, colour-rich and developer-friendly synthetic fibres, announced in June its entry into the US market with its brand launch at Outdoor Retailer Summer Market in Denver. Chromuch fibres are made from recycled plastic bottles and use absolutely no water in the dyeing process.

Also, Formosa Taffeta Co (FTC), a textile affiliate of Taiwan's Formosa Plastics Group (FPG), announced plans to invest up to $40.55 million in Switzerland's Schoeller Textil AG in 2020 to deepen its cooperation with the latter and raise its market share of high-end products. FTC's board of directors approved acquiring a 50 per cent stake in Schoeller Textil in March.

Myanmar's Htantabin Technology Park, led by Taipei-based lace maker Wedtex Industrial Corporation's Golden Myanmar Investment Co., announced its intention to create 150,000 jobs and attract over $330 million in investments over the next eight years.

Click here for more details

Source: fibre2fashion.com- Jan 07, 2020

HOME

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Bangladesh: Govt sets RMG export target at $50b in FY21

The government has set a target of $50.0 billion readymade garment (RMG) export in 2020-21 fiscal year in line with its commitment to enhance earnings from the sector in the ruling Awami League's election manifesto.

Secretary of Textiles and Jute Ministry Lokman Hossain Mia revealed the information at a press conference at the secretariat on Tuesday ahead of the 'National Textile Day 2020 and Multipurpose Textile Fair'.

Prime Minister Sheikh Hasina is expected to inaugurate the three-day 'Multipurpose Textile Fair' on January 9 at Bangabandhu International Conference Centre in the city.

Commerce Minister Tipu Munshi, State Minister for Labour and Employment Monnujan Sufian and Chairman of the Parliamentary Standing committee on Jute and Textile Ministry Mirza Azam will also be present at the fair as special guests.

"The government has taken elaborate action plans to make the sector stronger and competent in the business market. A total of 42 textile vocational institutes, 7 textile institutes and 7 textile engineering colleges have been established under the government supervisions, to develop highly skilled textile technicians for the rapidly developing sector," the secretary said.

The government is working relentlessly to maintain the stability of the sector by coordinating with the adhering sectors and delivering fast service to the consumers, he commented. A total of nine organisations and business enterprises will be awarded in different categories to enhance the RMG export and speed up the development, he added.

Textile Department Director General Dilip Kumar Saha and Bangladesh Textile Mills Corporation (BTMC) Chairman Brig. General Muhammad Qamruzzaman and senior official of the secretariat and ministry were present at the press conference.

Source: thefinancialexpress.com.bd - Jan 07, 2020

HOME

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Bangladesh: Govt to give 1% addl cash incentive to garment exporters

The Bangladesh Bank (BB) today issued a circular increasing one percent special cash incentive on export receipts of apparel items from the country, which was pending since July last year.

In the circular, the government also included the terry towel and specialised textile sectors in the cash incentive scheme, apart from all kinds of garment items.

The government has delayed in implementation of the special incentive on apparel export as there were some ambiguities in the previous circular, the exporters said. The garment exporters said the order of paying the special one percent incentive on apparel shipment delayed a lot.

By this time the sector has lost its competitiveness worldwide as other competing countries like Vietnam and India have already gained a lot of competitiveness in the major markets. A senior official of Bangladesh Bank said, previously, the terry towel and specialised textiles were not entitled in the cash incentives on export receipts given for the garment sector as those two items were not defined clearly.

"However, the government widened the areas of sector as the garment and textile sectors have been going through a tough time," the official told The Daily Star asking not to be named.

The garment export has been declining over the last five months because of appreciation of local currency against the greenbacks, rising cost of production, declining trend of spending money by the consumers for garment items and free trade agreement between Vietnam and the EU.

The decision of giving incentive to the apparel and textile exporters will come into retrospective effect from July 1 last year, as the government proposed to give the additional one percent incentive to the garment exporters to face the fallouts of declining competitiveness to the global apparel markets.

Source: thedailystar.net - Jan 08, 2020

HOME

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Bangladesh: Apparel exports finally get promised cash incentive

All garment exports from Bangladesh will receive 1 percent special incentive on their shipment to all markets after the government yesterday made effective the much-awaited cash support announced in the budget for fiscal 2019-20.

The incentive for the apparel and textile exporters will be effective retrospectively from July 1 last year, the central bank said in a notice.

Finance Minister AHM Mustafa Kamal in his maiden budget proposed the incentive to help exporters remain competitive in the global market. But the decision was put on hold because of some ambiguity in the previous notice.

The central bank yesterday also widened the coverage of the incentive by including terry towel and specialised textile.

The terry towel and specialised textiles were not eligible for the cash support in the past as the two items were not defined clearly, said a central bank official.

“The government brought in more sectors under the scheme as the garment and textile sectors have been going through a difficult time,” he added.

But the central bank notice yesterday failed to bring a smile on garment exporters’ faces.

By the time the incentive came, the sector has lost its competitiveness in the global market as competitors such as Vietnam and India have already gained a lot of ground in the major markets, exporters say.

“It will help but it won’t be sufficient,” said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association.

Had this been given in July the way it has been given now, the garment exporters could have averted hiccups.

"It won't have an immediate impact, unfortunately," she said, while calling for currency adjustment, which would give the garment exporters the ultimate leg up in the global market.

Garment export has been declining for the last five months because of the appreciation of the local currency, the rising cost of production, the declining trend of spending by consumers for garment items and the free trade agreement between Vietnam and the EU.

In the first half of the fiscal year, Bangladesh's apparel shipment, which rakes in more than 80 percent of the export earnings, fell 6.21 percent to $16.02 billion, according to data from the Export Promotion Bureau showed.

Currently, Bangladeshi garment exporters receive 4 percent cash incentives for shipment to non-traditional markets. The country considers all the destinations as non-traditional markets except the EU, the US and Canada.

Source: thedailystar.net - Jan 08, 2020

HOME

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2nd phase of China-Pakistan FTA becomes operational

The second phase of the China-Pakistan Free Trade Agreement came into effect early this month providing zero duty facility to over thousand Pakistani products, while Islamabad continue to grapple with huge trade deficit with Beijing despite the inflow of large Chinese investments into the country under the CPEC.

Pakistan''s trade deficit with China has further widened to USD 9.7 billion in 2018 in about USD 13 billion total trade, according to official data.

The second phase of China Pakistan Free trade Agreement (CPFTA) initiated from January 1, 2020. The first phase of the FTA between the two countries was signed in 2006.

China has committed to investment over USD 60 billion in Pakistan under the China-Pakistan Economic Corridor (CPEC) project under which it planned to build a number of special economic zones. India has objected to the CPEC as it is being laid through Pakistan-occupied Kashmir.

Commenting on the second phase of the FTA with Pakistan, Chinese Foreign Ministry spokesman Geng Shuang told the media here on Tuesday that the core content of the agreement is to substantially increase the level of liberalisation of trade in goods.

It "stipulates the proportion of the tariff lines with zero tariff products between China and Pakistan will gradually increase from 35 per cent to 75 per cent. In addition, both parties will implement 20 per cent reduction in taxes on other products that account for 5 per cent of their respective tariff lines. The tariff elimination measures started to be implemented from January 1," he said.

Noting that China and Pakistan are all weather strategic cooperative partners with sound momentum in ties, he said, "We will continue to deepen our political mutual trust, deepen all dimensional cooperation for greater high quality development of CPEC, and to deliver more benefits to our peoples."

The second phase of the FTA allows the Pakistani manufacturers and traders to export around 313 new products on zero duty to the Chinese market taking the total to products to 1,047, Pakistan''s state run APP news agency reported.

The new facility will particularly benefit the textile sector to enhance its export to China as textile exports to China will virtually be duty free, it said.

Source: outlookindia.com- Jan 07, 2020

HOME

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CPFTA-II: Tariff line with zero tariff products to gradually increase from 35% to 75%: Chinese FM spokesperson

The China-Pakistan Free Trade Agreement Phase-II stipulates that the proportion of tariff lines for products that implement zero tariffs between China and Pakistan will gradually increase from 35% to 75%, Chinese Foreign Ministry’s Spokesperson Geng Shuang said on Tuesday.

“The “Protocol” stipulates that the proportion of tariff lines for products that implement zero tariffs between China and Pakistan will gradually increase from 35% to 75%," he said while responding to a question of APP during his regular briefing held here.

In addition, the two sides also implemented a 20% reduction in taxes on other products that accounted for 5% of their respective tax items. The tariff elimination measures started to be implemented from January 1, he added.

The spokesperson said the amending protocol to the FTA between China and Pakistan had entered into force on December 1, 2019, adding, the protocol upgrades and revises the contents of the original FTA on market access and tariff reduction schedules, rules of origin, trade remedies and investment.

"It adds a new chapter on customs cooperation. The core content is to substantially increase the level of liberalisation on trade in goods on the basis of the original agreement," he added.

The second phase of CPFTA allows the Pakistani manufacturers and traders to export around 313new products on zero duty to the Chinese market.

Pakistan was already enjoying zero duty on export of 724 products to China under the first FTA signed between the two countries in 2006. After the implementation of the second phase of FTA, Pakistan has been allowed to export a total of 1047 products to China on zero duty.

The new facility will particularly benefit the textile sector to enhance its export to China as textile exports to China will virtually be duty free.

There are a number of other items particularly leather and agriculture products as well as confectionery and biscuits etc which Pakistani manufacturers can export to China.
Geng Shuang said China and Pakistan were all weather strategic cooperative partners with sound momentum in our bilateral relations.

"We will continue to deepen our political mutual trust, deepen all dimensional cooperation for greater quality development of China-Pakistan Economic Corridor (CPEC), and to deliver more benefits to our peoples," he added.

With the implementation of CPFTA-II, Pakistan, can now increase its export around US$ 1 billion in the short term while the export of these items are

likely to touch US$ 4-5 billion in the medium term after setting up a new industry in the special economic zones being constructed in Pakistan under the China-Pakistan Economic Corridor (CPEC) flagship project.
In the long-term, Pakistan can enhance its exports to China up to US$ 10 billion in the next few years as the volume of the Chinese import market is around US$ 64 billion.

China wants to import quality products from different countries including Pakistan.
"If our traders actively participate in different trade fairs in China to market their goods, they can get import orders with good price."☐

The present government has resolved export rebate issue and it is giving subsidy to exporters on electricity and gas. The State Bank of Pakistan has also increased funds limits for the traders and manufacturers under export refinance scheme which will help increase the exports.

Currently, cotton yarn, copper, rice, chromites nephrite, seafood and ethylene alcohol are main products being exported to China.

Source: app.com.pk- Jan 07, 2020

HOME

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NATIONAL NEWS

Govt taking steps to simplify taxation; curb harassment of taxpayers: FM

Finance Minister Nirmala Sitharaman on Tuesday said the government is taking various steps to simplify taxation system and eliminate harassment of honest taxpayers.

Addressing an event organised by Confederation of All India Traders (CAIT), the finance minister said the government is open to suggestions for the betterment of GST filing system.

Based on suggestions received from various stakeholders, the government is taking steps towards simplification of taxation system, she added.

In a bid to curb harassment of taxpayers, she said, a faceless e-assessment scheme was launched in October to eliminate interface between an assessing officer and a taxpayer.

The tax department has implemented a computer-generated document identification number (DIN) to ensure greater transparency and accountability in tax administration.

The DIN system, which became operative from 1 October 2019, will apply to all kind of communications from the income tax department, whether it is related to assessment, appeals, investigation, penalty and rectification, among others.

This development will also help taxpayers to detect fake notices and letters as the notice would be verifiable on the department's e-filing portal.

Besides, the finance minister said, such cases have to be closed within 30 days.

She also said that there would be shopping festival held across the country soon.

In a bid to boost trade, Sitharaman had in September last year announced Dubai-like mega shopping festivals in India, starting March 2020.

The commerce ministry is working on this and it will provide a big platform for traders to sell their goods.

The government is expected to hold these festivals in four Indian cities, and the move is likely to boost textiles, leather industry & promote yoga tourism.

The government is planning various themes for these festivals, ranging from gems and jewellery, textiles and leather to yoga.

Source: business-standard.com - Jan 07, 2020

HOME

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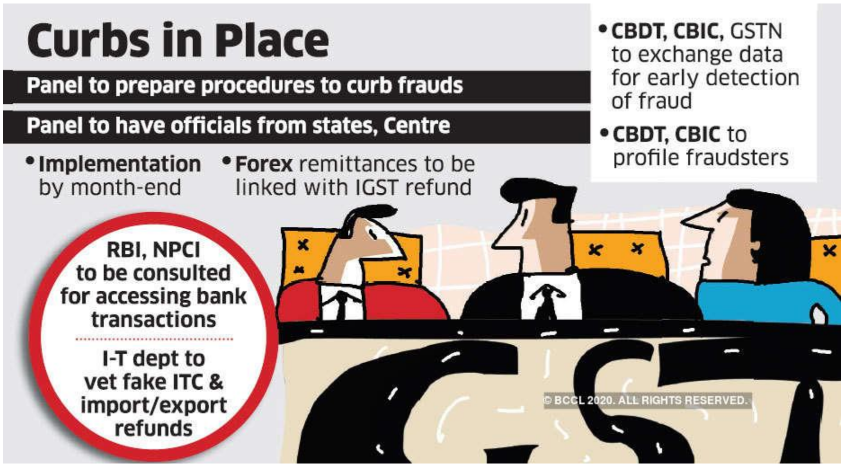
Nine-point plan firmed up to plug GST revenue leaks

The action plan was finalised after a meeting of state and central GST chief commissioners.

A nine-point plan has been firmed up to plug revenue leakages under the goods and services tax regime. It includes setting up a panel with tax officials from Centre and states to draw up a standard operating procedure for tackling refund frauds.



The action plan was finalised after a meeting of state and central GST chief commissioners on Tuesday chaired by revenue secretary Ajay Bhushan Pandey.

"The committee of Centre and state officers will come out with a detailed standard operating procedure within a week, which may be implemented across the country by January-end," said a GST Council Secretariat statement.

The committee's aim will be to examine and implement quick measures to curb fraudulent refund claims.

Linking foreign exchange remittances with integrated GST refunds may be undertaken to check fraudulent refund claims for new or risky exporters, while a single bank account for remittance receipt and refund disbursement will be created, it said.

Further, the GST Network, Central Board of Direct Taxes and Central Board of Indirect Taxes and Customs will share data on a quarterly basis for early identification and checking of fraud cases, the statement said.

“A memorandum of understanding will be signed by the agencies. This will ultimately lead to increased revenue collections and at the same time ensure that genuine taxpayers are not harassed,” an official said. Also, CBDT and CBIC will jointly profile fraudsters by sharing data of cases involving evasion and fraudulent refund.

Besides sharing of data, access to banking transactions including the bank account details by GST system will be developed in consultation with the Reserve Bank of India and the National Payments Council of India. The GST system will be aligned with Financial Intelligence Unit for getting details of bank accounts, transactions and PAN-based banking transactions.

Further, GSTR forms will be amended to include self-assessment declaration in case of closure of businesses, as a means of ease of doing business for companies.

Tax experts said the proposed measures should be implemented well. “While these measures cannot be questioned, it needs to be ensured that these are implemented well on the ground, not leading to harrassment for taxpayers,” said Pratik Jain, indirect taxes leader, PwC.

Industry needs to be careful in GST filing and should ensure that adequate control is exercised on vendor's compliances, which would anyway be needed with introduction of e-invoicing from April, Jain added.

Source: economictimes.com - Jan 08, 2020

HOME

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At 5%, GDP growth to hit 11-year low in FY20

CSO's first advance estimate projects all three sectors growing at lower rate; industry worst hit

The Central Statistics Office has projected the economy's growth rate for 2019-20 at 5 per cent, the lowest in the current series with 2011-12 as the base year. This projection is a 11-year low

This first advance estimate is much lower than the 7 per cent growth rate projected in the Economic Survey as also the average forecast of 5.5 per cent by major agencies, but on a par with RBI's latest estimate of 5 per cent.

The government estimated that the gross value added (GVA) — a more realistic guide to measure changes in the aggregate value of goods and services produced — will grow at 4.9 per cent in 2019-20.

All the three sectors of the economy — agriculture, industry and services — are projected to grow at a lower rate than the previous year. However, industry is the worst hit, with the growth rate at just a third of the previous year.

Job worries

Most worrying is the performance of the manufacturing sector, projected to grow at just 2 per cent against 6.9 per cent in the previous fiscal. Manufacturing sector growth hold the key to job creation as one direct job in this sector leads to the creation of four indirect jobs.

Construction, electricity, gas and water supply were the other laggards, while some sectors, including mining, public administration, and defence, showed some improvement.

According to DK Srivastava, Chief Policy Advisor at EY India, the key news in CSO's first advanced estimates is the fall in the nominal GDP growth to 7.5 per cent in FY20 compared to the previous peak of 13.8 per cent in financial year 2013, a fall of 6.3 percentage points. "This translates into a fall in tax revenues and an increase in the fiscal deficit, both detrimental to growth. The estimated real GDP growth at 5 per cent was earlier anticipated by the RBI, and the CSO release confirms the continuing slowdown," he said.

Sunil Sinha, Principal Economist with India Ratings, said that even nominal GDP growth estimated at 7.5 per cent for FY20 will have a significant implication for the economy, most importantly relating to fiscal deficit and debt servicing.

"A lower denominator will magnify the fiscal deficit as a percentage of GDP and borrowing at a cost higher than nominal GDP will pose debt servicing challenge," he said.

The value of GDP is projected at ₹147.79-lakh crore and ₹204.42-lakh crore at constant and current prices, respectively. With this, the calculation for fiscal defict will also change and is likely to be 3.5 per cent of GDP against the 3.3 per cent projected in the Budget.

Source: thehindubusinessline.com - Jan 08, 2020

HOME

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India facing strong headwinds as it eyes a happier new year for trade

India suffered a "broad-based" slowdown in import-export trade in 2019, according to Maersk.

Steve Felder, managing director for Maersk South Asia, says last year's global dip in container demand, combined with domestic challenges to India's economy, impacted the country.

"This is aligned closely with the weaker domestic demand, tight liquidity and working capital, as well as a reflection of the overall cyclical weakening of the economic environment in all the main global economies," he added.

Weakening container demand was highlighted in Maersk's third-quarter 2019 India trade report, which said the country's year-on-year import-export trade was flat compared with global growth of 1.5%.

While imports witnessed subdued growth, the overall fiscal impact was "nullified by an identical contraction in exports", it said.

Bucking the trend was an 11% jump in exports to Africa, led by appliances and kitchenware, vehicles and seeds, beans, cereals and flour. And reefer exports to the Mediterranean saw growth, too, primarily fuelled by meat, fish and shellfish.

Exports of seafood and other reefer cargo to China also increased. Maersk said China's domestic protein production was down 5% last year, which influenced the demand for imports from countries such as India.

Furthermore, the US-China trade war seems to have caused complications for India's trade with China. According to the report, India wants to boost trade with China while protecting local interests.

For example, India is looking for greater access to the Chinese market as it seeks to mitigate a drop in farm commodity exports. But New Delhi has so far declined to join the Regional Comprehensive Economic Partnership (RECP), citing concerns over protecting local businesses from a flood of goods from China into the Indian market through third countries, Maersk noted.

India's retail, apparel and textile industries are also facing strong headwinds, according to the report, which said the trade war, Brexit and flat economic growth in major economies was creating a challenging export market. Key competitors, such as Pakistan, Bangladesh and Vietnam, were given preferred access in Northern Europe, Maersk said, which is India's biggest textile market.

Nevertheless, Mr Felder said, the government's ambitious growth targets for the Indian economy were feasible.

"The government's ambitious target of making India a US$5trn economy requires a focused approach in implementing reforms and measures in the logistics sector. This may be feasible, provided infrastructure and technological investments can be progressed across the country, further supported by robust policy reforms towards strengthening connectivity, especially towards the hinterlands and coasts.

"With cargo successfully being transported via Inland Waterway 1 this year, we hope to see even more increase in multimodal transport routes, aided by the efforts of the Sagarmala project," Mr Felder added.

He also believes initiatives such as the government's Digital India policy have the potential to propel the logistics and shipping industry forward.

"We see great opportunity in investment in technology start-ups focused on developing solutions backed by artificial intelligence, machine learning, blockchain and similar technologies to help address challenges prevalent in the industry," he explained.

Mr Felder suggests a key target for India this year should be to reduce logistics costs through faster adoption of technology by the government and other key industry stakeholders.

Logistics hubs should also be developed at various strategic locations, Mr Felder said.

Source: theloadstar.com - Jan 06, 2020

HOME

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Maharashtra Cotton Federation eyes 1-mln-bale procurement 2019-20

The Maharashtra State Cooperative Cotton Growers Marketing Federation Ltd is looking to procure nearly 1 mln bales (1 bale – 170 kg) of cotton in the current year that started Oct 1, as prices are likely to be near the minimum support price for a prolonged period due to expectation of bumper crop coupled with slowdown in the textile sector, said a senior official of the state-owned federation.

"So far we have bought around 360,000 bales at the minimum support price," Jayesh Mahajan, general manager of the federation said.

India's cotton production in the current season is estimated to have risen to over 35 mln bales from 31-32 mln bales a year ago.

"Rains in Vidarbha, Nagpur in particular last week, are expected to increase the crop size by another 0.8-1.0 mln bales as it will prevent farmers from uprooting plantations on potential rise in two more pickings of the crop," Mahajan said.

Last week, cotton dominated Nagpur district received heavy rainfall. Besides this, large areas under the herbicide tolerant Bt cotton, illegal though, is expected to increase the overall size of the crop in Nagpur, Chandrapur, Yavatmal and Akola districts, farmers and traders said. This should cap the upside in prices and put pressure on the federation and the Cotton Corp of India, which is parallelly procuring the crop across the country.

Currently, average daily arrivals of cotton in the states are around 60,000 bales, of which 25,000 bales or 40% have been procured daily in Maharashtra, Mahajan said.

Meanwhile, the procurement by Cotton Corp of India has also topped 3.2 mln bales with 1.7 mln bales coming only from Telangana, and around 500,000 bales in Maharashtra, a company official said adding at the current pace and price situation, the corporation may end up buying 9-10 mln bales in the season.

Source: cogencis.com - Jan 07, 2020

HOME

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No Re payment woes for Iran exports: Uco bank

Despite increasing tension between the US and Iran, Indian exporters doing business with the Middle East country may not face any problem in receiving their payments in the Indian currency till this fiscal-end. The city-based Uco Bank currently has enough "availability of funds" in its rupee accounts, which had been opened to facilitate Indo-Iran bilateral trade settlements, to make payments "at least for sometime" to the exporters for shipping products to the West Asian nation, according to a senior bank official.

When asked whether Indian exporters will have any problem in getting their payments in the rupee under the "Rupee Payment Mechanism", the Uco Bank official said: "It depends on the availability of funds. But, at least I don't think there is any immediate problem for making payments."

India and Iran had signed a deal in the last year for oil import payments in rupees. The MoU was signed as the US had allowed India and seven other nations to keep buying Iranian oil despite sanctions were reimposed on the Islamic state in November, 2018. According to the agreement, Indian oil companies made rupee payments in Uco Bank accounts, and 50% of those funds were earmarked for making the payments for the exports from India to Iran.

Uco Bank has been facilitating the bi-lateral banking trade transactions with Iran under the "Rupee Payment Mechanism" since February, 2012, as mandated by the government and RBI.

Last week, tensions between Iran and the US increased after an American drone strike killed top Iranian general Qasem Soleimani.

"The funds (in Uco Bank's rupee accounts) are basically freezed, whatever has come has come. Because, the rupee inflow was on account of imports from Iran. Imports from Iran were mainly in terms of crude oil. That is gone now. So, the inflow has already stopped...almost nil. It is only the outflow for the exports which are being made to Iran," the Uco Bank official informed.

Iran is a key trading partner of India. It imports basmati rice, cereals, tea, coffee, spices and organic chemicals, among others. "The only problem is once this money, whatever is there in the rupee accounts, exhausts, then again we would have to think what payment mechanism has to be put in place," the official said, adding Indian exporters to Iran would not face any problem in getting their payments in the rupee at least till this fiscal-end.

The bank apprised the government about the situation. "A lot of meetings are going on," the official said. On a possible timeline by when the government might come out with some new clarifications on the payment mechanism, he said following the latest escalation in tensions it was difficult to predict "what turn it will take".

Source: timesofindia.com - Jan 07, 2020

HOME

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MSMEs, exporters: Government will soon eliminate these two fundamental problems of your business

Commerce minister Piyush Goyal has asked Small Industries Development Bank of India (SIDBI) and the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to establish a framework that will help them process SME loans faster along with providing insurance cover to SME exporters.

Goyal, in his meeting on Monday with industry bodies including CII, FICCI, Assocham, SME Chamber of India and PHD Chamber of Commerce and Industry to resolve MSME issues, stressed on MSMEs' adaptability to adapt to the market change and cater to the export market given their smaller size, Commerce Ministry said in a statement.

Access to affordable bank credit and delayed payments are among the major challenges for India's MSME sector having around 60 million MSME units. The minister, in the meeting, 'examined the possibility' of large buyers making entire payments to SMEs against goods purchased in order to ensure their working capital is not blocked.

Goyal, on SMEs part, urged the manufacturers to churn out high-quality products of international standards for the sector's exports to likely become part of the global value chain. The minister had last month also urged for increased SME exports given the tariff concessions under the Free Trade Agreements (FTAs) signed by India gives export opportunities for products including those from SMEs.

Japan, South Korea and some ASEAN countries offer such concessions on SME products including readymade garments, leather goods, processed foods, and engineering products such as auto components, Goyal had told Lok Sabha. MSMEs contributed nearly 50 per cent to India's total exports, according to the MSME Ministry's 2019 annual report.

Apart from making access to finance faster and boosting exports, Goyal also underlined the importance of 8 million women-led small businesses. Such MSMEs may get support from the government's e-commerce platform GeM by getting them on-board and allowing them to sell to government departments, PSUs and organisations.

GeM currently has over 66k micro and small sellers out of more than 3 lakh seller base. The marketplace, in order to boost its seller count, has been reaching out to small and medium enterprises, artisans, craftsmen in small cities and handhold them to bring them into the e-commerce fold (much like Amazon and Flipkart) through its new programme called GeM Samvaad launched last month.

Source: financialexpress.com- Jan 07, 2020

HOME

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India's textile industry faces large growth potential

India's textile industry faces a large growth potential. The industry is set to be valued at $250 billion by end of this year according to management consultancy Intueri, and if a more centralised and technologically advanced supply chain are put into place, growth in the sector could be further propelled on the back of reduced inefficiencies.

The sector, which has historically been a key component of India's economy, has benefitted from significant impetus over recent decades in the form of foreign direct investment (FDI). Between 2000 and last year, India's textile industry has received FDI inflows in excess of $3 billion, driving projections for the sector up considerably.

In a market sizing report, Intueri places the value of the industry at $250 billion. According to the consulting firm, textiles add tremendous economic value for India, both in the form of a 2% contribution to the GDP as well as through substantial employment throughout the country.

At a time when India is focusing on domestic manufacturing, the sector also accounts for 7% of the total industry output in the country at present, giving momentum to exports at the same time. Intueri estimates that textiles will account for $82 billion in exports by as early as 2021.

While the sector is performing strongly, the researchers warn that it continues to operate below potential. The sector's fundament is built on the back of small, decentralised production units – as many as 80% of textile production units in India are "small operations" with less than 20 machines.

Not only does this significantly limit production, it also leads to a lack of overall coherence in the textile supply chain. Smaller production units are in addition slower to adopt technological enhancements to their operations, which means that the sector continues to suffer from considerable inefficiencies.

Meanwhile, the sector is calling for change in the same vein as a number of other industries in India that could benefit considerably from technological advancement.

Despite these challenges, Intueri reports that India holds tremendous competitive advantage in the global textile market. "India's leading textiles market allows for easy access to a wide variety of raw materials. Flexibility of supply chain also enables apparel manufacturers to come up with innovative designs."

"India is highly integrated into GVCs of countries such as Bangladesh, South Africa, Sri Lanka, UAE, Belgium, US, Indonesia, Malaysia, UK and Hong Kong, India's textile industry is at the confluence of favourable quantity and price of raw materials. In addition to cost- competitiveness over China and Brazil, India also boasts diverse supply of raw materials," the researchers added.

Source: consultancy.in - Jan 07, 2020

HOME

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India to hit $7 bn in MMF textiles exports in 2020: SRTEPC

Exports of Indian man-made fibre (MMF) textiles is expected to reach $7 billion by the end of fiscal 2020-21, witnessing a growth of at least 10 per cent from the current level, according to Ronak Rughani, chairman of the Synthetic and Rayon Textiles Export Promotion Council (SRTEPC), which is optimistic about a further momentum in the sector this fiscal.

Though the present trend of total MMF textiles exports from India is not encouraging, exports in value-added segments like fabrics witnessed nearly 8 per cent growth during April-October period in 2019-20 as compared to the same period in the previous fiscal, the council said in a press release.

SRTEPC has prepared a20-point strategy for the development of MMF fibre textile segment. The points include bringing in fibre neutrality, lowering interest rates, making raw materials to be made available at international price, considering textile job work as manufacturing in the goods and services tax regime, considering textile merchant exporters as manufacturer exporter, branding and WTO-compatible schemes.

Source: fibre2fashion.com- Jan 07, 2020

HOME

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Hyderabad attracting retail brands despite economic slowdown

In addition to global retail players such as Ikea and Danube Home, UK-based global apparel retail brand Islamic Design House opens its store in city

Global economy has been seeing headwinds and so is the domestic economy. However, cities such as Hyderabad are showing stability and resilience. Hyderabad in particular and Telangana as a State has recently attracted major investments in the retail and apparel manufacturing space (to cater to retail demand).

$1.75 billion South Korean textiles and apparel major Youngone Corporation last month announced setting up a unit in Kakatiya Mega Textile Park (KMTP) in Warangal, with an investment of about Rs 900 crore, followed by the lifestyle retail brand Shoppers Stop signing an MoU with the State government on January 3 to establish its apparel manufacturing unit at Sircilla Apparel Park in Telangana.

hile these investments are happening that will feed the retail sector, pure retail investments are also on the rise that indicate availability of quality high-street and mall retail space.

Hyderabad that attracted global retail players such as Ikea and Danube Home has seen a new addition with the UK-based global apparel retail brand Islamic Design House opening its retail store in the city (at City Centre Mall, Banjara Hills) on Tuesday, making it the second in India and first in the city.

IDH franchise owner Rahmath Unnisa told Telangana Today, "The ease of doing business in Telangana and the government's boost to entrepreneurship led the apparel brand to set up the store in Hyderabad. The government made the clearances seamless with the help of digital platforms."

Growth market

"Hyderabad is a big and dynamic market. There is a demand for quality apparel and retail experience. Places such as Banjara Hills offer competitive advantage and there are many more potential locations in the city that we will explore in near future where we will create more IDH stores to offer Islamic fashion. We could also look at Warangal and Nizamabad in future as these markets are already showing good online demand," IDH franchise co-owner Mir Israr Ali Khan said.

The British brand has been widely focusing on markets such as Egypt, Kuwait, Saudi Arabia, UAE, Palestine, Jordan, UAE, South Africa and Mozambique.

Jewellery and lifestyle brand BlueStone has opened its third store at Sarath City Capital Mall in Hyderabad on Tuesday, which is its 16th store pan-India. The company has earlier set up stores in Madhapur and Jubilee Hills in the city.

Gaurav Singh Kushwaha, founder & CEO, BlueStone, said, "By March 2021, we plan to have 10-12 stores in Hyderabad, being a vast and potential city. We plan to have 100 stores across India by then. We will be setting up stores mostly through the franchise route.

Majority of the stores in Hyderabad will be high-street stores. Each store typically attracts an investment of Rs 2 crore. The city has contributed a lot to the nation in the evolution of jewellery sector and new designs, and is a key hub for retail."

Source: telanganatoday.com- Jan 08, 2020

HOME

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