The Cotton Textiles Export Promotion Council (TEXPROCIL)
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IBTEX No. 217 of 2019 November 08, 2019

US 71.24 | EUR 78.73 | GBP 91.29| JPY 0.65

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19617	40800	**72.98**

Domestic Futures Price (Ex. Warehouse Rajkot), November

Rs./Bale	Rs./Candy	USD Cent/lb
19410	40567	**72.56**

International Futures Price

NY ICE USD Cents/lb (December 2019)	64.35
ZCE Cotton: Yuan/MT (January 2020)	12,890
ZCE Cotton: USD Cents/lb	84.37
Cotlook A Index – Physical	**74.70**

Cotton Guide: For 2019/2020 Net sales of 164,500 RB for 2019/2020 were up 52 percent from the previous week.

Country	Increases in Running Bales
Pakistan	95,100
Vietnam	45,100
Turkey	33,200
China	23,500
Bangladesh	14,500

Table 1:Upland Sales 2019/2020

Reductions were noted for Indonesia 65,900 Running Bales and Hong Kong at 2,400 Running Bales (RB).

For 2020/2021, net sales of 118,600 Running Bales were for -

Country	Increases in Running Bales
Indonesia	70,500
Vietnam	44,000
Japan	4,100

Table 2: Upland sales 2020/2021

Upland Shipments- Exports of 129,700 Running Bales were down 13 percent from the previous week.

Country	Upland Export Shipments
Pakistan	21,600
Vietnam	17,900
China	14,400
Indonesia	12,800
Mexico	9,800

Table 3: Upland Export Shipments

Pima Sales- Net sales of Pima totaling 30,000 RB--a marketing-year high--were up 38 percent from the previous week.

Country	Increases in Running Bales
India	22,000
Pakistan	4,900
Vietnam	2,400
El Salvador	600
Italy	200

Table 4: Pima Sales in Running Bales

Reductions were noted for Japan at 300 running bales.

Pima Shipments- Exports of 5,500 Running Bales were down by 27 percent as compared to the previous week.

Country	Pima Shipments
India	4,300
Indonesia	700
Turkey	300

Table 5: Pima Shipments

The ICE December contract settled at 64.35 cents per pound with a change of +66 points. The ICE March contract settled at 66.04 cents per pound with a change of +77 points, whereas the ICE May contract settled at 67.35 cents per pound with a change of +89 points. 2019 has never seen volume figures of 73,925 contracts that were recorded yesterday. Again a fresh wave of optimism is seen in the cotton Markets.

The MCX contracts on the other hand, were almost sideways. The MCX November contract settled at 19,410 Rs per Bale with a change of +40 Rs. The MCX December contract settled at 19,330 Rs per Bale with a change of +20 Rs whereas the MCX January contract remained unchanged at 19,370 Rs per Bale. The volumes were decent at 1374 lots.

The cotlook Index A has been updated at 74.70 cents per pound with a change of -25 points. With the ICE prices increasing we expect Indian Exports to show global demand.

For today, on the fundamental front, we can expect the prices to move from Sideways to positive with fresh geopolitical optimism.

On the technical front, In daily chart, ICE Cotton after giving an Inverse Head & shoulder pattern breakout, is trading within an upward sloping channel. However, price have retraced back after taken support of the lower end of the channel at 63.40, which coincides around 50% Fibonacci extension level (62.98).

Meanwhile, price have moved above the daily EMA (5, 9) at 64.14, 64.21, implying some sideways. The momentum indicator RSI is at 55.08, still indicating sideways bias for the price. The immediate resistance for the price would be at 65.70-65.00, which are the recent high's. Thus for the day we expect price to trade in the range of 66.00-63.40 with sideways to positive bias. In MCX Nov Cotton, we expect the price to trade within the range of 19200-19500 with a sideways to bearish bias.

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

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INTERNATIONAL NEWS

China, US Agree to Phased Tariff Rollback—Apparel Could Go Unscathed

The rollback of tariffs on Chinese imports could be more than just rumblings.

China and the U.S. have agreed to pull back on a portion of each other's tariffs in phases as they work toward an interim agreement, a spokesperson from China's Ministry of Commerce said Thursday.

"In the past two weeks, top negotiators have had serious and constructive discussions on resolving issues of core concern. Both sides agreed to remove the additional tariffs imposed in phases as progress is made on the agreement," the South China Morning Post reported Ministry spokesperson Gao Feng as saying. "If China and the U.S. reach a phase one deal, both sides should roll back existing additional tariffs in the same proportion simultaneously."

How much of the existing tariffs will be scrapped in phase one of the deal will depend on what emerges in the agreement, Gao explained.

There were conflicting reports as to whether U.S. officials have agreed to the tariff rollback plan.

At the United States Fashion Industry Association's (USFIA) Apparel Importers Trade and Transportation Conference in New York City Thursday, David Spooner, partner at Barnes & Thornburg, said there's truth to the rollback news.

"I think it's clear that the administration does not want to, or is very reluctant, to impose tariffs on list 4B. It's no coincidence, of course, that the administration put off tariffs on [apparel and textiles] and consumer electronic products until the very end. And it's no coincidence that at least for a large portion of those goods, the administration has continued to defer goods," Spooner said.

"Someone who's in a position to know conveyed late last week that list 4B would be postponed again come December," he added. "And indeed from the [China Ministry of Commerce] news this morning, it looks like that may be happening."

If the 15 percent tariffs on list 4B goods that were set to take effect on Dec. 15 are delayed or ultimately disappear altogether, it means the apparel and textile sector will evade tariffs on goods including: some woven and knit fabrics, suits, T-shirts, sweaters, performance outerwear, overcoats, undergarments, nightwear, ties, shawls, men's or boy's shirts, and women's or girl's skirts, to name just some.

It would be a big win for an industry ill-equipped to take on additional margin-pressuring headwinds. And though a signing location for the phase one trade deal has yet to be set, the agreement is expected to be forthcoming.

"I think we will have at least a phase one deal in the short term," Spooner said. "I think the president wants to show…that the pressure on China has yielded results and that phase one deal may simply be an announcement that 4B tariffs will not go into effect and that China will make agriculture purchases along with some fairly light language about currency manipulation. I think both China and the White House want to be able to show progress."

Source: sourcingjournal.com- Nov 06, 2019

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USA: Textile and Apparel Imports Down Again but Shipments from Cambodia Continue to Rise

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 6.27 billion square meter equivalents in September, down 5.6 percent from August but up 1.1 percent from September 2018.

	SME	Monthly change %	Annual change %	$ Value	Monthly change %	Annual change %
China	3.20 billion	-8.3	-4.3	$3.57 billion	-14.8	-17.0
India	501.1 million	-1.0	+6.0	$638.6 million	-2.6	+5.0
Vietnam	459.1 million	+0.7	+8.8	$1.36 billion	n/a	+17.2
Pakistan	217.9 million	-7.3	+17.7	$250.8 million	-12.5	+16.9
Mexico	205.6 million	-7.3	-0.1	n/a	n/a	n/a
Bangladesh	173.3 million	-8.0	-9.7	$496.9 million	-6.1	-3.5
Korea	163.7 million	-13.0	+2.2	$82.6 million	-4.9	+7.5
Cambodia	152.7 million	+12.1	+37.4	$333.9 million	+5.8	+37.9
Indonesia	130.8 million	+2.5	+8.6	$420.8 million	-2.4	+9.6
Turkey	89.4 million	+5.7	+37.5	$147.3 million	-8.3	+15.6
Taiwan	87.4 million	n/a	+5.3	$64.4 million	n/a	+1.0
Canada	84.7 million	+11.2	-3.1	$131.9 million	+21.1	+11.0

Textile imports totaled 3.68 billion SME, down 4.7 percent for the month but up 5.2 percent from the previous year, while apparel imports of 2.59 billion SME were down 6.8 percent from August and 4.3 percent from a year before.

For more information on trade-related issues affecting textiles and apparel, please contact trade attorney Elise Shibles at (415) 490-1403.

Overall Imports. Total year-to-date imports were 53.1 billion SME, up 4.9 percent from the previous year, as textile imports gained 5.9 percent to 31.5 billion SME and apparel imports rose 3.5 percent to 21.6 billion SME.

For the year ending in September imports were 71.0 billion SME, up 6.0 percent from a year earlier, as textile imports increased 7.1 percent to 42.4 billion SME and apparel imports rose 4.5 percent to 28.6 billion SME.

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

Source: strtrade.com- Nov08, 2019

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Trade war leaves both US, China worse off: UNCTAD study

US tariffs on China are economically hurting both, the United Nations Conference on Trade and Development (UNCTAD) cautioned in a new study report released yesterday that shows the ongoing US-China trade war has resulted in a sharp decline in bilateral trade, higher prices for consumers and increased imports from countries not directly involved in the trade war.

By analysing recently released trade statistics, the study finds that US consumers are bearing the heaviest brunt of the US tariffs on China, as their associated costs have largely been passed down to them and importing firms in the form of higher prices, according to an UNCTAD press release.

However, the study also finds that Chinese firms have recently started absorbing part of the costs of the tariffs by reducing the prices of their exports.

"The results of the study serve as a global warning. A lose-lose trade war is not only harming the main contenders, it also compromises the stability of the global economy and future growth," said UNCTAD's director of international trade and commodities, Pamela Coke Hamilton.

US tariffs caused a 25 per cent export loss, inflicting a $35-billion blow to Chinese exports in the US market for tariffed goods in the first half of 2019, the analysis found.

This figure also shows the competitiveness of Chinese firms, which, despite the substantial tariffs, maintained 75 per cent of their exports to the United States.

The office machinery and communication equipment sectors were hit the hardest, suffering a $15-billion reduction of US imports from China as trade in tariffed goods in those sectors fell by an average of 55 per cent.

Trade of tariffed goods in sectors like chemicals, furniture and electrical machinery also dropped substantially.

Though the study does not examine the impact of the most recent phase of the trade war, it warns that the escalation in summer of 2019 is likely to have added to the existing losses.

US tariffs on China have made other players more competitive in the US market and led to a trade diversion effect as well. Of the $35 billion Chinese export losses in the US market, about $21 billion (or 63 per cent) was diverted to other countries, while the remainder of $14 billion was either lost or captured by US producers.

According to the report, US tariffs on China resulted in Taiwan gaining $4.2 billion in additional exports to the US in the first half of 2019 by selling more office machinery and communication equipment.

Mexico increased its exports to the US by $3.5 billion, mostly in the agri-food, transport equipment and electrical machinery sectors.

The European Union gained about $2.7 billion due to increased exports, largely in the machineries sectors. Vietnam's exports to the United States swelled by $2.6 billion, driven by trade in communication equipment and furniture.

Trade diversion benefits to Korea, Canada and India were smaller but still substantial, ranging from $0.9 billion to $1.5 billion. The remainder of the benefits were largely to the advantage of other Southeast Asian countries. Trade diversion effects favouring African countries were minimal.

Source: fibre2fashion.com - Nov 07, 2019

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Philippine-US Free trade agreement

The idea of a Philippine-US FTA has been mooted since the termination of the Philippines' preferential trade status in the US as part of the transitional arrangements from colonial rule to full independence. Those discussions never gained traction, partly because the Philippines has taken a cautious approach to a free trade deal and has never negotiated one outside the ASEAN framework.

It was content to utilize the Generalized System of Preferences (US GSP) which provided duty free treatment for about 5,000 tariff lines with minimum reciprocal concessions. The US, in turn, was then more inclined to pursue its trade policy goals through the WTO and in regional trade deals.

Since President Trump took office, however, the United States has shifted its trade policy from multilateral and regional trade arrangements to bilateral trade deals. In short order, the US withdrew from the Trans Pacific Partnership (TPP), renegotiated the North American FTA with Canada and Mexico, imposed retaliatory tariffs on a variety of goods to force concessions on what it believes are unfair trade practices.

It has blocked the appointment of members to the WTO's appellate body which will eventually lead to the suspension of the WTO's dispute settlement system. China's massive trade surplus with the US has made it the primary focus of this "fair, reciprocal bilateral trade" policy. The US-China trade dispute is escalating and is impacting on global economic growth.

Despite the rhetoric, the US under President Trump has yet to negotiate a bilateral FTA to add to the 20 it currently has. In fact, he has had some of this reviewed including the one with South Korea. So it came as a surprise that during a visit to the Philippines in November 2017, President Trump announced that he and President Duterte have agreed to negotiate an FTA.

Given the current global trade environment – rising protectionism and the US-China trade war, it would seem that the Philippines would benefit from such an arrangement by giving it a competitive leg up on its competitors. The US is the country's second biggest trading partner after ASEAN with total trade of around $30 billion.

About 18 percent of Philippine exports to the US already enter duty free under the GSP Scheme. That benefit, however, is not permanent but subject to review annually. It also does not cover many goods of interest to the Philippines as well as services. There have been two initial rounds of exploratory talks, but the process does not formally begin until President Trump informs the US Congress of its intentions to negotiate an FTA with the Philippines.

It would be an opportune time to start a public conversation on the feasibility of such an agreement, its benefits and the reciprocal commitments required from the Philippines. The business community, in particular, has not been as meaningfully engaged in the process to date. They will be the primary beneficiary, but it may also require them to make some adjustments to cope with increased competition as the US tries to loosen what it sees as restrictions to US business. This is crucial since beyond tariffs, an FTA will be expected to cover services, investment restrictions including on foreign equity, IPR, government procurement, technical barriers to trade, and competition policy.

It is with this objective in mind that the Carlos P. Romulo Foundation is organizing a workshop to generate business sector inputs to policy makers and negotiators as they design, negotiate and implement such an FTA. As stated in my last column “World under Attack” on Nov. 1, this will be the first of many workshops/seminars.

The workshop will begin with a presentation of the empirical and anecdotal evidence of the benefits from an FTA to be followed by an assessment of the current political environment in the US and the Philippines that will determine the prospects for its realization.

Finally, there will be an examination of the areas of coverage of the FTA and how the Philippines might formulate its negotiating position to maximize the gains from whatever concessions it might be required to give in return.

Business sector inputs will be crucial here particularly in enhancing the agreement’s relevance to them. The workshop is intended to provide the government and business sector a clearer understanding of the issues at stake necessary to generate support from business and the general public to move the process forward.

Source: philstar.com - Nov 07, 2019

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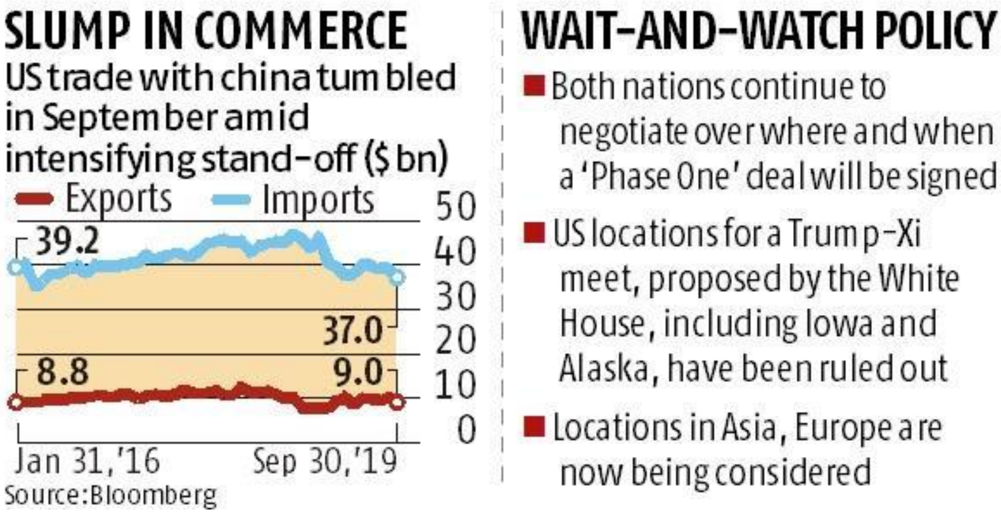
China says it agreed with US to roll back existing tariffs in phases

The amount of tariff relief that would come in the first phase, set to be signed in the coming weeks, would depend on the content of that agreement, spokesman Gao Feng said

China and the US have agreed to roll back tariffs on each other's goods in phases as they work toward a deal between the two sides, a Ministry of Commerce spokesman said.

"In the past two weeks, top negotiators had serious, constructive discussions and agreed to remove the additional tariffs in phases as progress is made on the agreement," spokesman Gao Feng said on Thursday.

"If China, US reach a phase-one deal, both sides should roll back existing additional tariffs in the same proportion simultaneously based on the content of the agreement, which is an important condition for reaching the agreement," Gao said.



An interim US-China trade deal is widely expected to include a US pledge to scrap tariffs scheduled for December 15 on about $156 billion worth of Chinese imports, including cell phones, laptop computers and toys. If confirmed by the US, such an understanding could help provide a road map to a deal de-escalating the trade war that's cast a shadow over the world economy.

China's key demand since the start of negotiations has been the removal of punitive tariffs imposed by US President Donald Trump, which by now apply to the majority of its exports to the US.

"The question right now is what the two sides have actually agreed on — the market's focus has shifted to how the US may react to China's tariff remarks tonight or in coming days," said Tommy Xie, an economist at Oversea-Chinese Banking. "Investors are still cautious and the advance in the yuan is still limited. The currency could rally to 6.9 if the US confirms the news on the lift of tariffs."

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

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Pakistan: Panic buying seen on cotton market

Some leading mills indulged in Panic buying of fine lint on the cotton market on Thursday in the process of trade activity, dealers said. The official spot rate was unchanged at Rs 9350, they added. In ready session, nearly 37,000 bales of cotton changed hands between Rs 8900-9700, they said.

Rates of seed cotton per 40kg in Sindh were at Rs 3600-4500 and in the Punjab prices were at Rs 3800-4800, they said. In Balochistan, seed cotton prices were at Rs 4200-4900, they said.

In Sindh, Binola prices per maund were at Rs 1400-1700 and in Punjab rates were at Rs 1550-1750, they said and adding that polyester fibre was at Rs 185. According to the market sources, a few major mills indulged in panic buying of cotton to replenish their stock.

Cotton analyst, Naseem Usman said that during the last session, business activity was down as most of the mills preferred to be on the sidelines due to liquidity crunch. The United State Department of Agriculture (USDA) data showing a net increase of 52 percent in exports, Pakistan is on the top of importing countries as it has imported some 9500 bales of cotton.

Adds Reuters: ICE cotton futures edged lower on Wednesday as investors remained cautious ahead of the US Department of Agriculture's (USDA) monthly crop supply and demand report. Cotton contracts for December fell

0.18 cent, or 0.3%, to 63.63 cents per lb by 12:57 p.m. ET (1757 GMT), trading within a range of 63.45 and 64.11 cents per lb.

Total futures market volume fell by 20,539 to 27,414 lots. Data showed total open interest fell 1,513 to 247,699 contracts in the previous session. The following deals reported: 400 bales of cotton from Ghotki at Rs 9600, 600 bales from Pano Aqil at Rs 9600, 1400 bales from Saleh Pat at Rs 9300, 1200 bales from Khairpur at Rs 8900/9150, 1000 bales from Haroonabad at Rs 8975, 400 bales from Faqeerwali at Rs 9000, 400 bales from Bahawalpur at Rs 9000, 3400 bales from Yazman Mandi at Rs 9050/9125, 400 bales from Fort Abbas at Rs 9200, 400 bales from Rajanpur at Rs 9250/9350, 16000 bales from Sadiqabad at Rs 9550, 400 bales from Chani Goth at Rs 9600, 600 bales from Liaquatpur at Rs 9600, 2400 bales from Khanpur at Rs 9550/9600, 7400 bales from Rahim Yar Khan at Rs 9550/9600 and 400 bales from Kot Sabzal at Rs 9700, they said.

Source: brecorder.com- Nov 08, 2019

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39pc RMG exporters supply at losses, a study finds

As many as 39 percent of the Bangladeshi garment exporters accept prices below their production costs for the sake of business relations with international retailers, according to a study by the Fair Wear Foundation (FWF).

Based in Amsterdam, FWF is an independent multi-stakeholder organisation that works with garment brands, garment workers and industry influencers to improve labour conditions in garment factories.

Apart from the threat of severed business ties, the suppliers accepted work orders from froeign buyers at rates lower than their production costs for mistakes in cost calculation or to one-up their competitors, the study also found.

If the suppliers do not accept prices below their production costs, they will lose everything as they will have to pay the workers at the end of the month without any production in the factories, said Koen Oosterom, FWF's country manager for Bangladesh and Myanmar.

FREIGHT ON BOARD (FOB) PRICES (2011-2016)

Markets/ Products	2011	2016	% change
All	$5.03	$4.64	-7.79
US buyers	$5.32	$4.75	-10.67
European buyers	$4.91	$4.47	-9.04
Trading houses	$4.90	$4.63	-5.50
Knit	$3.80	$3.40	-10.50
Woven	$6.48	$6.05	-6.61
Bottoms	$6.43	$6.10	-5.17
Tops	$5.01	$4.58	-8.55
T-Shirts	$2.72	$2.43	-10.70

SOURCE: **SOURCING SURVEY**

TROUSERS EXPORT TO THE US

Real dollar price per square metre

SOURCE: **CALCULATIONS BASED ON OTEXA AND BLS DATA**

The findings of the study styled "Labour minute costing and price negotiations with buyers" was shared at an event held at the capital's Lakeshore Hotel. The data used were from 2013 to 2016.

The factory management also accepts lower prices in the hope of price hike and profit in future, he said. The effects of selling the garment items at prices lower than the production costs are more dangerous.

Some 33 percent think they will face the risk of closure and 29 percent will face difficulties in wage payment to workers, the study also said. Only 13 percent of the buyers who source from Bangladesh increased the prices of garment items after the minimum wage hike in 2013.

Globally, the picture is almost similar to Bangladesh. During that time, only 25 percent of the global buyers had increased the prices of the garment items after the wage hike, he said.

Between 2011 and 2016, the overall prices of Bangladeshi garment items declined 7.79 percent. The picture of price hike by buyers following the latest round of the minimum wage increase in December last year is worse than that of 2013: only one out of the 20 buyers increased the prices, Oosterom told The Daily Star.

Every time the international retailers put pressure on the manufacturers to comply with their rules, they should also be mindful of the rates they offer the factory owners, said Mohammad Abdul Momen, director of the Bangladesh Garment Manufacturers and Exporters Association.

"There is an imbalance in the negotiation table. We are fearful of losing work orders." When every consumer of the Western world expresses concern about the environment and sustainability then how can the retailers offer to source garment items at such low rates. "The price they offer is even lower than a cup of coffee," he added.

The pressure is always put on the wage of the workers in this tug of price war between the factory management and the retailers, said KI Hossain, president of the Bangladesh Garment Buying House Association. Consumers always think about the cheaper prices and brands always think about profit, leaving suppliers with no room to make profits, he added.

"It is unfortunate that there are no better buying practices although there are so many better manufacturing practices," said Mohammad Hatem, first vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

Although Bangladeshi apparel industry owners turned their factories into role models for safety by spending few billions of dollars, the retailers are not practising responsible buying practices. "Buyers are killing the garment industry of Bangladesh by offering lower prices," he added.

Fazlee Shamim Ehsan, director of BKMEA, said nothing is changing although the manufacturers are complaining of the low prices of garment items for long. "The buyers offer better prices to other countries, but not to Bangladesh. Is it fair?"

Source: thedailystar.net- Nov 08, 2019

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Bangladesh apparel export downturns 6.67% in July-October

Bangladesh apparel export declining due to unplanned manufacturing

Global consumers have been decreasing their purchase and going for more durable products, whereas Bangladeshi manufacturers expanded their capacity without any study on global consumption trends. So that, unplanned manufacturing is contributing to the recent decline of apparel export from Bangladesh.

Bangladesh is losing competitiveness in the global apparel trade due to a lack of efficiency and productivity of the workforce in the RMG sector. Bangladesh has also issues of longer lead time and a lack of negotiation skills.

Industrialists are thinking that the sector will see negative growth in the coming months also. At the end of this financial year, if the exports do not turn away from this downward trend, Bangladesh may lose its second position in the global apparel market.

According to the Export Promotion Bureau (EPB) data published on 7 November, earnings from RMG export performance (Goods) for FY 2019-20 July-October fell by 6.67% to $10.57 billion from $11.33 billion in the same period of FY19.

Earning from woven garments fell by 7.67% to $5.03 billion in July-October of FY20 from $5.45 billion in the same period of last fiscal year. On the other hand, knitwear export fell by 5.73% to 5.53 billion from 5.87 billion.

Siddiqur Rahman, former President of the Bangladesh Garments Manufacturers and Exporters Association (BGMEA), said, “China and US trade tensions, global effects such as rising consumption and the decline of work orders in major rival countries have reduced the number of work orders.”

Asif Ibrahim, Founder Chairman, Business Initiative Leading Development (BUILD) and Director, BGMEA, told Textile Today, “The released country export data of October 2019 is very alarming and showing negative growth of 6.67 percent.”

The industry leaders and leading think tanks in recent years have highlighted that the strong value of taka against the US dollar is one of the key contributors of eroding the competitiveness of Bangladeshi exporters."

"The countries who compete with Bangladesh not only devalued their currency significantly but they also provided both fiscal and non-fiscal incentives to their exporters for boosting the country competitiveness in the international open market," he added.

According to Asif Ibrahim, "It's time that the government takes this matter very seriously, nullifies the notion that exists among certain policymakers that export sector enjoys many benefits and provide immediate relief to the exporters through short- and medium-term stimulus packages. If this negative trend in export continues it is going to have a severely detrimental impact on Bangladesh's economy."

Other than apparel product the export earnings from leather and leather goods in July-October of FY20 fell by 8.2% to $316.9 million from $345.2 million in the same period of last fiscal year.

Export earnings from leather-footwear in the first quarter decreased by 12.11% to $189.98 million from $2.16.16 million while other leather products fetched $84.19 million with a 16.46% growth in the period.

Earnings from the home textile export in July-October of FY20 fell by 11.12% to $239.59 million from $269.57 million in the same period of FY19.

Of all the negative scenario there are also some good news that Bangladesh can take them as an opportunity to grow in the global market. Recently Bangladesh's denim products exports to the United States of America rose by 5.42% to $573.27 million during the January-August period of 2019.

Bangladesh's overall merchandise export earnings have registered a 10.55% growth to $40.53 billion in the just-concluded fiscal year, riding mainly on apparel exports, according to the provisional data of Export Promotion Bureau (EPB). Of them, export to China contributed $506.51 million.

Exports to India, Japan, Korea, Mexico, Russia, however, witnessed a growth ranging from 3.58% to 35.54%. Bangladesh earned $163.12 million from

India with growth 12.42% growth than the previous year. The export of jute and jute goods increased by 8.88% to $314.49 million from $288.85 million.

Source: textiletoday.com.bd - Nov 07, 2019

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Sustainability is essential for the apparel sector in Bangladesh

Industrial compliance, workers' safety and adoption of latest technologies are essential to ensure sustainability for the apparel and clothing sector of Bangladesh, experts and policy markers have said.

Promoting sustainability in the ready-made garment (RMG) industry will help to achieve the country's desired economic growth in the near future, they explained.

Many issues including environment, workers wellbeing, responsible business conduct and climate change should be considered to make the country's apparel industry sustainable, they added.

These observations were made at the second edition of Sustainable Apparel Forum (SAF) held at the International Convention City, Bashundhara in the capital Dhaka on Tuesday, November 5.

The Bangladesh Apparel Exchange (BAE) and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) with support from the embassies of the Netherlands and Sweden, H&M, Better Work Bangladesh and C&A Foundation organized the daylong event aiming to make the apparel and clothing industry of Bangladesh sustainable.

At the program, western retailers including H&M put emphasis on sustainability practices in water consumption and labor issues, saying that they would opt for long-term sourcing of apparel items from Bangladesh in increased volumes provided there is sustainability in production there.

"Bangladesh's garment industry is not just important for Bangladesh but it is important for whole global textile industry," Pierre Borjesson, head of sustainability- global production of H&M group, said while addressing at the opening session of the program. Borjesson said Bangladeshi ready-made garment sector is the wonder of success and it shows how the industry can ensure betterment of the people: “We need to continue the progress and keep in mind that workers are the key force of the success.”

Canadian High Commissioner to Bangladesh Benoit Préfontaine said social dialogue is needed about the price of apparel items, the supply chain and workplace culture.

On the other hand, local apparel entrepreneurs sought more financing at competitive rates to make the industry socially, environmentally and economically sustainable. The garments sector should be transformed with technologies linked to fourth industrial revolution (4IR) to make the business sustainable by strengthening its position in the global competition, they added.

“In terms of economic sustainability, we are unusually silent despite being agreed to the fact that making a factory safe for working, making it socially and environmentally complaint, huge investment is needed,” Atiqul Islam, mayor of the Dhaka North City Corporation (DNCC), said while addressing as the chief guest at the opening session.

Also a former president of the BGMEA, he added that entrepreneurs are hardly getting financing to do so at a competitive cost. Bangladesh needs more investment in the manufacturing industries to progress in line with the technologies of 4IR, the former BGMEA chief explained.

State Minister for Foreign Affairs of Bangladesh Shahriar Alam urged global brands to deliver on their commitments within the evolving global RMG supply chain, saying their due response is “crucial” for making the entire industry and the supply chains “compliant-competitive-caring.”

The global brands also require delivering on their commitments at a similar pace, the state minister said, adding that manufacturing is a collective enterprise and is about shared responsibility.

In all, more than 50 speakers from 20 countries in five panel discussions of the SAF shared their perspectives on issues critical to sustainability such as humanity, transparency, water, purchasing practice and climate change.

With the discussions of the SAF a so-called sustainability roadmap is going to be formulated, the organizers said. “The ‘sustainability roadmap’ will provide clear guidelines to the industry to add pace to the sustainability movement,” said Mostafiz Uddin, founder and CEO of the BAE.

The progresses of the roadmap will also be followed up in next editions of the SAF, he added.

A total of eight institutional papers related to the sustainability of Bangladesh apparel industry were also presented at the SAF.

Source: sportswear-international.com- Nov 07, 2019

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NATIONAL NEWS

Commerce ministry raises issue of DRI notices to exporters over IGST with FinMin

DRI had sent notices to exporters for claiming post import IGST exemption between October 2017 and January 2019. During the period, this exemption was allowed only for pre-import of inputs.

The commerce ministry has taken up the issue of Directorate of Revenue Intelligence (DRI) notices being sent to 1,000 exporters for alleged violation of Goods and Services Tax with its finance counterpart, an official said.

The commerce ministry has stated that the "overzealous revenue collection" move by DRI (Directorate of Revenue Intelligence) was against exporters.

The ministry has demanded integrated goods and services tax (IGST) exemption for inputs used in exports between October 2017 and January 2019, the official said.

In a letter to the Department of Revenue, the commerce ministry said that the demand of giving retrospective IGST exemption to exporters could be taken up by the GST Council, chaired by the finance minister and comprising state ministers.

"This department is of the view that enthusiasm of exporters should not be killed by overzealous revenue collection based on technicalities where revenue does not accrue in principle. You may consider placing these concerns before the GST Council for early resolution," the ministry has said.

It has also stated that as on date, imports made under the advance authorisation scheme on both pre and post export basis are exempted from payment of IGST.

Exporters have raised concerns regarding litigation and penal action by DRI with regard to pre-import condition under the scheme.

DRI had sent notices to exporters for claiming post import IGST exemption between October 2017 and January 2019. During the period, this exemption was allowed only for pre-import of inputs.

But the exemption was allowed both for pre and post import from January 15 this year. The commerce ministry is seeking implementation of this notification from October 2017 itself.

Source: economictimes.com- Nov 07, 2019

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Govt plans to extend NPOP organic certificate to textile, cosmetic, AYUSH products

To boost export of organic products, the government plans to extend its existing certification to textile, cosmetics and ayurveda, yoga, naturopathy, unani, Unani, sidha and homeopathy (AYUSH) products, agri-export promotion body APEDA Chairman Paban K Borthakur said on Thursday.

At present, organic foods are certified through the National Programme for Organic Production (NPOP) of Agricultural and Processed Food Products Export Development Authority (APEDA) under the Commerce Ministry and the Participatory Guarantee System for India of the Agriculture Ministry.

“NPOP, launched in 2001, is the world’s largest organic certification programme. As a step further, NPOP now proposes to enter into organic AYUSH products, organic textiles and organic cosmetics,” Borthakur said after inaugurating the global trade fair on organic products ‘Biofach India’ in Greater Noida, Uttar Pradesh.

Since 2006, the NPOP has been recognised by the European Union and Switzerland. India has a similar agreement with the US, he said. As a result of these agreements, Indian organic products are being exported to these countries without the need for re-certification, he said in a statement. Noting the NPOP has laid the foundation of organic movement in the country, the APEDA chairman said it has played a key role over the years to establish the credibility of India’s organic sector in national and international trade.

“NPOP now spans over the entire organic agriculture production scenario and is offering certification services for practically all possible activity starting from crops, livestock, aquaculture, processing and niche segments like mushrooms and sea weeds,” he said.

In order to further boost export of organic products from the country, Borthakur said the APEDA is targeting to get the recognition for India's NPOP from many more countries including Canada, Japan, Korea and Taiwan. Compared to international trade of about USD 97 billion, Indian market seems to be very small, but it is growing very fast, he said. India exported 6.14 lakh tonnes of organic food products valuing Rs 5,151 crore in 2018-19 to countries such as the US, European Union, Canada, Switzerland, Australia, Israel, South Korea, Vietnam, New Zealand and Japan, he added.

According to APEDA, India produced around 2.67 million tonnes of certified organic products in 2018-19. The production is not limited to the edible sector but also extends to organic cotton fibre and functional food products.

Total area under organic certification process (registered under National Programme for Organic Production) was 3.56 million hectare till March 2019. This includes 1.94 million hectare cultivable area and another 1.49 million hectare for wild harvest collection.

Among states, Madhya Pradesh has covered largest area under organic certification followed by Rajasthan, Maharashtra and Uttar Pradesh. During 2016, Sikkim had achieved a remarkable distinction of converting its entire cultivable land (more than 76,000 hectare) under organic certification.

As per the industry estimates, India's organic agricultural products market is about Rs 8,500 crore and exports account for nearly 60 per cent. Biofach India is being organised jointly by the NurnbergMesse India and APEDA. More than 6,000 delegates are participating in the the trade fair-cum-exhibition.

Source: thehindubusinessline.com- Nov 07, 2019

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Any 'further decision' on RCEP can be taken only if other members address our concerns, says MEA

'Rules of Origin' and base rate year for duty were some of the sticking points

After announcing earlier this week that India had exited the Regional Comprehensive Economic Partnership (RCEP) pact, the Ministry of External Affairs has now said that if the country gets a firm indication that its core concerns would get addressed by other members, it could consider taking a further decision on the matter.

"I think our concerns and requests are available with other members of the RCEP. We have said that we have negotiated with a very clear view of our interests. If we get a firm indication that our core interests will be accommodated, at that stage we can think of taking any further decision on this matter," MEA spokesperson Raveesh Kumar said answering a question at a briefing on Thursday.

After the RCEP Leaders Summit, attended by Prime Minister Narendra Modi in Bangkok on Monday, the MEA Secretary (East) addressed a media briefing where she said that India had decided to exit the RCEP as the country's core concerns remained unaddressed.

The joint statement issued at the end of the Summit, however, stated that all RCEP participating countries will work together to resolve India's outstanding issues in a mutually satisfactory way and the country's final decision will depend on satisfactory resolution of these issues.

Interestingly, New Zealand's Minister of State for Trade Damien O'Connor, who visited India this week, also said that the 15 RCEP countries had agreed to work with India on its sensitivities before the final agreement.

But there is yet no clarity on how the other RCEP members would negotiate with India on its remaining concerns.

Addressing the media on Tuesday, Commerce and Industry Minister Piyush Goyal identified some of the problems that India had with the proposed RCEP pact in its current shape. An important concern was the 'rules of origin' (ROO) which determine how much value should be added to an item in the last country from where it is exported.

India wants strict ROO to ensure that Chinese goods, with higher duties, do not enter India's markets through other member countries where the tariffs may be lower.

India is also demanding that the base rate of duty (for calculating tariff cuts) should be 2019 instead of 2014 as those rates were not relevant any more. Additionally, India is demanding that an adequate Auto Trigger Safeguard Mechanism should be put in place to prevent dumping of cheap imports and import surges. The country also does not want to accept 'ratchet' obligation in the investment chapter that would stop it from changing its existing rules.

Source: thehindubusinessline.com- Nov 07, 2019

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Apparel industry expects uptick in exports in last two quarters

After tepid growth in last few months, apparel industry is expecting revival in exports on account of festive, spring and summer orders in the West.

As per data from Apparel Exports Promotion Council (AEPC), readymade garments (RMG) exports had fallen by 2.44 per cent to stand at $1.26 billion in dollar terms in August 2019 compared to the said month last year and fell again by 2.17 per cent in September 2019 to $1.07 billion.

As a result, cumulative RMG exports in dollar terms during April-September, 2019-20 have stood at $7.8 billion registering a marginal growth of 2.06 per cent.

Further, apparel exports to the largest market US showed a steep decline of 13 per cent in April-August 2019 as compared to that in April-August 2018.

The exports to other major markets including Germany, UAE, Spain, France and UK have also declined.

However, according to industry representatives, given India's strength in predominantly cotton fabric based garments, the spring and summer shipment in the remaining two quarters of October-December 2019 and January-March 2020 are likely to see an uptick.

"Europe is going slow and the US growth has not been as buoyant as expected. However, spring and summer is India's strength and this could lead to some growth in the remaining two quarters," said Sivaramakrishnan Ganapathi, managing director of Gokaldas Exports Ltd., one of the largest garment exporters in India.

As such, the remaining two quarters tend to perform better than the first two, said Prashant Agarwal, joint managing director of Wazir Advisors, a leading apparel and retail consulting firm. "It is now that order booking is really good with lot of exporters, especially medium players are totally booked. If you compare with last year, overall buying would be a bit low," said Agarwal.

According to Clothing Manufacturers Association of India (CMAI)'s analysis of financial filings of select apparel manufacturers and fashion brands & retailers for the first quarter of fiscal 2019-20, most companies showed an increase in their operating revenue.

"Growth in operating profit margins (OPM) for majority of companies was very high. The increase in OPM percentage of fashion brands & retailers is mainly because of a change in regulation in Ministry of Corporate Affairs," the industry body stated.

Ganapathi added that when compared to last year, the overall growth in apparel exports is expected to be flat for the industry in general. Meanwhile, Agarwal pegged the growth in Q3 to be around 4-5 per cent, similar to last year.

Source: business-standard.com- Nov 08, 2019

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Surat power loom weavers oppose duty on polyester yarn

Surat power loom weavers have opposed yarn spinners' demand for raising anti-dumping duty from 5 per cent to 10 per cent on polyester yarn imported from China and Vietnam.

The spinners, who have written to the Directorate General of Anti-Dumping Duties, had earlier demanded anti-dumping duty on nylon filament yarn imported from China and other Asian nations.

According to the Federation of Gujarat Weavers Welfare Association (FOGWA), the anti-dumping duty on filament yarn is against the smooth functioning of the power loom sector. If the DGDA agrees, then over 2 lakh power loom machines will shut down, rendering over 1.5 lakh workers jobless, a top Indian English-language daily reported.

FOGWA president Ashok Jirawala said anti-dumping duty on nylon and polyester filament yarn will impact 10,000 weavers. The industry is already suffering from the last 11 years due to the anti-dumping duty on nylon, he added.

Source: fibre2fashion.com- Nov 08, 2019

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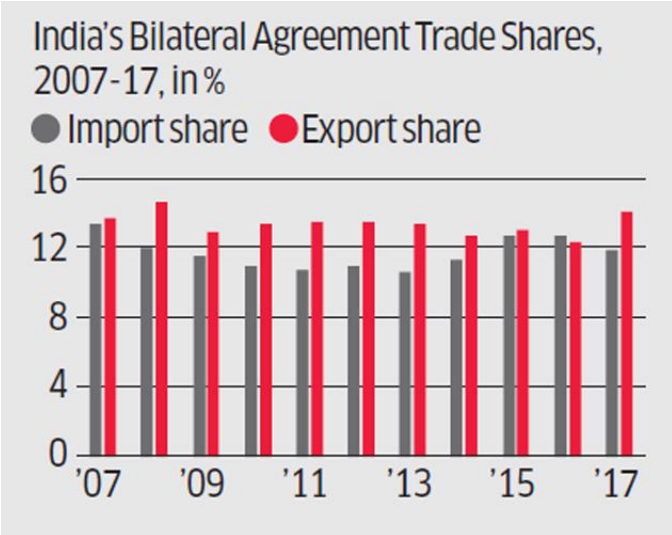
Staying out of RCEP is not in India's economic interests

Earlier this week, India announced that it was dropping out of the Regional Comprehensive Economic Partnership (RCEP). Its exit came amid a wide array of assertions from commentators — with some claiming that India's past trade agreements had harmed its economy and that RCEP would do worse, others going further to demand a return to the inglorious days of 'selfsufficiency', and yet others insisting that the withdrawal reflected the weakness of the government against the efforts of protectionist lobbies.

What were the actual outcomes under India's past trade agreements? Did they hurt the Indian economy? What lessons do they hold for India with respect to RCEP or other future trade deals?

No Push, No Shove



During 2000-11, India signed 14 preferential trade agreements (PTAs), 10 of which were bilateral agreements with individual countries (which included Japan, South Korea, Malaysia and Singapore) and four were plurilateral agreements (including with the Association of Southeast Asian Nations (Asean) and the Southern Common Market (Mercosur) in South America).

What will likely come as a surprise to most is the fact that the effects of these agreements on trade have been modest. Thus, while India's imports from its 10 bilateral partners added up to 13.3% of its overall imports in 2007, that number actually fell slightly to 11.8% in 2017. Similarly, exports to these 10 partners added up to 13.7% in 2007, and stayed nearly the same at 14% in 2017. India's imports under the Asean pact, its most significant plurilateral agreement, inched up from 9.6% in 2007 to 10.2% in 2017, while exports expanded modestly faster from 9.5% to 12%.

What about trade deficit? Many analysts have erroneously derided India's trade agreements by pointing to increased bilateral trade deficit in dollar terms. They miss the obvious point that a significant rise in all nominal magnitudes must accompany the approximate doubling of India's economy over the relevant years.

When we examine the size-corrected appropriate measure — the share of the trade deficit contributed by India's agreements — it turns out that India actually improved its bilateral position vis-à-vis its free trade agreement (FTA) partners during 2007-17.

Furthermore, it is not the case that large parts of the Indian economy have come under stress because of intensified import competition under these agreements. During 2007-17, the sectors in which imports under trade agreements had grown faster than overall imports from all trading partners by even just 25% accounted for only 6-7% of overall imports.

Admittedly, liberalisation under many of these agreements was ‘phased in’ and, in some cases, is yet to be completed. But the argument that India’s agreements have already strained its economy, and that they offer a cautionary tale against future agreements, finds no support whatsoever in data.

What about RCEP? First, the positives. RCEP covers over three billion people & over 20% of global GDP.

Access to this market on a ‘frictionless’ duty-free basis would have provided tremendous advantages to India’s exports. In the absence of trade barriers on its imports (imposed by itself) and its exports (imposed by partner countries), India would have had an excellent opportunity to integrate itself into regional and global value-chains, where India’s participation has been low. India would have been more easily able to attract foreign direct investment (FDI) and to also take over production in sectors that China is now vacating.

Your Call is on Hold

Finally, RCEP would have been an easier agreement for India to sign, as compared to any potential agreements with the US or the EU, because its focus was on trade liberalisation.

In contrast, agreements such as the Trans-Pacific Partnership (TPP) pose a greater challenge, since they require concessions over a range of contentious non-trade issues, such as environmental and labour regulations, intellectual property (IP) protection, and the operations of State-owned enterprises.

On the flip side: India’s trade deficit with China is large. It accounts for about 40% of its overall deficit. Signing RCEP would have exposed India to risk of surging imports from China and an even wider deficit. However, if these were India’s primary concerns it could have negotiated hard for expansion of market access in the Chinese market in areas of its comparative strength, such as pharmaceuticals and IT services.

On the import side, it could have sought exclusions of especially sensitive sectors and a more gradual liberalisation schedule. This would have allowed India to simultaneously exploit greater market integration with Asia, while giving itself time and economic space to adjust.

Where do we go from here? Statements by commerce minister Piyush Goyal that he now proposes to turn west to the US and EU may be read to imply that he plans to abandon RCEP permanently. As eternal optimists, we do not believe this interpretation and view India's current decision as a bargaining tactic aimed at extracting further concessions from other RCEP members and cutting a more favourable deal for India. It is unlikely that Prime Minister Narendra Modi would walk away from his 'Act East' policy and leave India wholly disadvantaged.

Source: economictimes.com- Nov 08, 2019

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Raymond to demerge lifestyle unit

Move will simplify group structure, says the company

Raymond Ltd. has announced the demerger of its lifestyle business into a separate entity that will be listed through a mirror shareholding structure, the company said on Thursday.

Every shareholder of Raymond Ltd. will be issued shares of the new company in the ratio of 1:1. The move will create a clear demarcation of lifestyle and other businesses leading to the simplification of the group structure, the firm said.

The new company will have the businesses of branded textiles, branded apparel and garmenting while the existing company will retain real estate projects, Thane land bank, B2B shirting business, engineering businesses of auto components and tools and hardware, denim and FMCG businesses.

Ahead of the announcement, the firm's sharesclosed with a gain of 6.94% at ₹673.70 on the BSE.

Raymond Ltd. also announced the allotment of equity shares and compulsorily convertible preference shares (CCPS) worth ₹225 crore and ₹125 crore respectively to JK Investo Trade (India) Ltd (JKIT), an associate company, against the infusion of net proceeds of JKIT land sale that was announced in October 2019. The allotment was done at ₹674 per equity share.

The total of ₹350 crore will be used to repay debt thus deleveraging the balance sheet of Raymond Ltd. The decisions are subject to approval of the shareholders.

Gautam Hari Singhania, CMD, Raymond Ltd., said, "As we continue to build capacities for enhanced performance and delivery across verticals, demerging the core lifestyle business is an affirmative step towards that direction and this will also simplify the group structure We remain resolute to take right steps to enhance value creation for our shareholders."

Sanjay Bahl, group chief financial officer, Raymond Ltd., said, "In line with our stated strategy of asset monetisation, the infusion of net proceeds of JKIT land sale in Raymond Ltd. will help us in debt reduction leading to better operational efficiencies." "As our balance sheet will get leaner, it will lead to a better profitability at the group level. The demerger of the lifestyle business will enable the demerged company and the resulting companies to have focussed strategy and specialisation for sustained growth and the ability to attract investors for better access to capital," Mr. Bahl said.

Sanjay Behl, CEO, lifestyle business, Raymond Ltd., said, "With a large network of over 1,500 stores across more than 600 towns and cities, Raymond Lifestyle Business offers an integrated play in the textile, apparel and garmenting segments both in domestic and global markets. With this demerger, lifestyle business will be well positioned to capitalise on the emerging opportunities through newer capabilities across the entire value chain of 'Fibre to Fashion.'"

Source: thehindu.com- Nov 07, 2019

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‘Technology vital for MSMEs to join global value chain’

MSMEs have to reinvest themselves by focusing on technology, improving productivity gains and upgrading the skill levels of its workforce so that they can join the global value chain, experts from trade and industry said here. They said micro, small and medium enterprises (MSMEs) in India have to address the technology issues if they want to be a part of the global value chain.

“India is a leader in technology but unlike big corporations, MSMEs are yet to deploy them and gain competitive edge. Besides technology, productivity gains are very low. For competing on the global stage, we have to raise the bar,” said Dileep Baid of Exports Promotion Council for Handicraft.

He cited example of textiles industry where the wastage of fabric can be as high as 18% during the whole value chain and said it is even higher for handicrafts industry.

Assem Kumar, general secretary of Garment Exporters Association of Rajasthan, who also spoke at the MSME event organized by FICCI-Rajasthan, concurring the views said that there is enough scope for enhancing productivity by thinking innovatively.

Drawing attention to the evolving global trade situation, immediate past president of Carpet Exporters Promotion Council Mahavir Sharma said that the MSMEs have to remain alert to the new situation.

Sharma said, “If India does not join the Regional Comprehensive Economic Partnership (RCEP), some sectors like gem and jewellery and apparel will have to realign their strategies and that’s why MSMEs have to remain efficient and nimble-footed to adjust to any new scenario.”

Source: timesofindia.com- Nov 08, 2019

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With a thrust on native variety, agri dept to push cotton farming area up

The agriculture department has stepped up its efforts to increase the area under cotton cultivation and promote indigenous varieties by providing indigenous cotton seeds, micro nutrient mixture and fertilisers to the farmers in the district. The farmers would also be offered pheromone traps to control pests and cotton picking machines.

District agriculture department officials said the area under cotton cultivation in the district had been decreasing over the past few years. “Today, it is being cultivated only in four blocks – Annur, Kinathukkadavu, Madukkari and Pollachi north. Last season, it was cultivated just on 710 hectares land,” an officer said and added that their plan was to bring another 200 hectares into cotton cultivation in those blocks with a total subsidy of Rs 7.25 lakh.

“The reduction in cotton cultivation area could be attributed to several factors. However, we are trying to increase the acreage under cotton cultivation,” the official said. Under the Tamil Nadu Cotton Cultivation Mission for 2019-2020, the department would issue the farmers subsidized cotton seeds, pulse seeds for intercropping, micro nutrient mixture, biofertilisers, biopesticides, plant protection chemicals and weedicides.

The scheme, which was launched four years ago, also seeks to promote indigenous cotton variety. “Currently, farmers in the district cultivate only hybrid cotton, which is also known as BT cotton. Through this scheme, we will promote extra-long staple cotton seeds, which is an indigenous variety,” the official said, adding, “The main aim of the scheme is to increase production of extra-long staple cotton in the state to cater to textile mills, which are currently importing it to meet their demand.”

Along with cotton seeds, pulses such as black gram, red gram and cowpea would also be provided to the beneficiaries to ensure an additional income for them, he said.

Under the Centre’s National Agriculture Development Programm, beneficiaries of the state’s cotton cultivation mission would also be provided with pheromone traps to control cotton pests and a cotton picking machine at a total cost of Rs 3.05 lakh.

Officials said cotton seeds were already sowed in the district and the process of distributing other components such as fertilisers and nutrient mixture was underway. Harvest would be done only after January, they said.

Source: timesofindia.com- Nov 08, 2019

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Purchase of cotton produce begins in Adilabad

The purchase of cotton produce commenced for this agriculture season at the Agriculture Market Yard here on Wednesday. Adilabad MLA Jogu Ramanna, his counterpart from Boath, Rathod Bapu Rao, and Collector Bharati Hollikeri launched the sales. They held consultations with farmers and traders to ensure reasonable MSP and to help ryots sell the cotton containing moisture.

Farmers were offered Rs 5,550 per quintal. Many made beeline at the yard to sell their produce. Ramanna advised farmers to dry the cotton, which got drenched in rain.

He said soya was already being purchased by Markfed Department. Divya said steps were taken to avoid losses to the agrarian community and told farmers not to be anxious about the percentage of moisture.

Source: telanganatoday.com- Nov 07, 2019

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