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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

IBTEX No. 133 of 2019 July 09, 2019

SD 68.80| EUR 77.17 | GBP 86.06 | JPY 0.63

Cotton Market		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21244	44400	**82.20**
Domestic Futures Price (Ex. Warehouse Rajkot), July		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21250	44413	**82.23**

International Futures Price	
NY ICE USD Cents/lb (December 2019)	65.64
ZCE Cotton: Yuan/MT (September 2019)	13,785
ZCE Cotton: USD Cents/lb	90.86
Cotlook A Index – Physical	**77.85**

Cotton Guide: The ICE contracts as predicted did not emanate positivity, rather they have been negative yesterday. The bears hence emerged victorious. The news of Good weather forecast for the Texas region helped bring the prices down. Forecasts were favorable for this cotton growing belt, displaying timely showers and friendly temperatures wherever needed.

The acres planted in this region were presumably less based on the recent USDA report. Having said that, the cordial temperatures can apparently bring forth better yields. Plantings of preferable and better quality seeds could further enhance the prospects of having a good supply of the White Fibre.

The most active ICE contract the ICE December contract settled at 65.64 cents/lb with a change of -118 points. The prices were volatile have a high figure of 67.10 cents/lb and a low figure of 65.57 cents/lb. The ICE December contract thus settled near the low it marked yesterday. The volumes on the other hand have improved substantially. The total volumes were at 25,076 contracts as compared to the previous figure of 15,466 contracts i.e. an increase of 62% was noticed.

The MCX contracts on the other hand emanated mixed figures. The contracts for the current marketing year 2018/2019 were a tad negative whereas the contracts for the new marketing year were positive. The range that the ICE contracts were between -50 Rs and +120 Rs. The Most active MCX July contract settled at 21,250 Rs/Bale with a change of -50 Rs. The other MCX contracts the MCX August , MCX October and MCX November contracts settled at 20820, 20360 and 20,150 Rs/Bale with changes of -10, +120 respectively with the November contract showing no changes.

The Cotlook Index A has been adjusted downward at 77.85 cents/lb with a change of -0.50 cents/lb. The Cotlook Index A 2019/2020 also has been updated to 77.25 cents/lb with a change of -0.40 cents/lb. The average prices Shankar 6 are at 44,400 Rs/Candy. The spot prices of this cotton can reduce a tad with ginners selling their stocks currently.

For today, for the international contracts we feel the prices can touch 63.50 cents/lb. Currently, while we write this report at 8:30 am the price for ICE December around 64.70 cents/lb. On Domestic Front, the MCX contracts could be a mixed bag, with late rains making it very difficult for the bulls and the bears to overpower each other. This is coupled with signs of drought announced in the majority of the country. For the MCX contracts we have a consolidated range bound view.

On the technical front, ICE Cotton futures witnessed sharp selloff in yesterday's and moved towards the lower band of the trading range 64.70-67.80. Price even failed to hold above the 9 day EMA at 66.00 level and breached its recent bottom at 65.40. So for now immediate support exists around 64.70-64.00 (lower band of the channel), likewise resistance exists around 66.00, followed by 67.20. Meanwhile RSI in the daily charts is moving below 40 level, suggesting weakness in strength. From the above it is expected that price could dip further towards the support at 64.70-64.00 zones, if held it could rebound again towards 65.50-66.00 zones. The trading range for the MCX contracts is 20750-21270 Rs/Bale.

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's Denim Exports to US Slide, as Other Major Suppliers Gain Ground

It's likely that no matter what happens with the Trump administration's threat to impose stiff punitive tariffs on Chinese apparel imports, damage has already been done.

Many importers have clearly taken the risk of 25 percent duties on Chinese goods and decided to sew them into their sourcing strategies, limiting their exposure to the once-dominant Chinese market, even with the imposition of those tariffs now on hold. Supply chain diversification is in full effect and the latest data from the Commerce Department's Office of Textiles & Apparel (OTEXA) reflects it.

"People are diversifying their denim sourcing locations. Some people are getting out of China and some people are staying in China," Robert Antoshak, managing director at Olah Inc., said. "There is definitely confusion in the marketplace."

The swing in production is most evident among the top suppliers of blue denim apparel, 97 percent of which are jeans. Denim apparel imports from China dropped 5.16 percent in value to $287.49 million in the year through May, compared to the same period in 2018. This brought China's market share for jeans imports down 1.77 percent to 23.35 percent for the year.

The next four top suppliers all gained ground on China in the 12-month period, according to OTEXA.

In the second place spot, Mexico, which has had its own round of tariff threats from the White House, though they seem to have subsided for now, saw its jeans imports increase 17.61 percent in the first five months of the year to reach $332.43 million in value. Mexico's market share rose 11.55 percent to 21.98 percent for the year.

Denim apparel imports from third-place supplier, Bangladesh, were up 6.26 percent year to date to $183.42 million, as the country's market share advanced 7.61 percent to 14.62 percent. V ietnam's jeans shipments to the U.S. jumped 35 percent to $105.07 million in the first five months of the year, compared to the year-ago period. This lifted Vietnam's market share 40.49 percent to 8.2 percent.

Rounding out the top five was Pakistan, with its shipments to the U.S. increasing 10.58 percent to $95.37 million. Pakistan's market share was up 11.87 percent in the 12 months to 6.48 percent.

"There's no doubt that the trade war between the U.S. and China has resulted in production being spread out across Asia and being a Pakistan manufacturer, we have benefited," Ebru Ozaydin, senior vice president of sales and marketing at Artistic Milliners, said at last month's Kingpins New York show.

The Western Hemisphere, led by Mexico, Nicaragua and Guatemala, continued to increase its denim production, too.

Imports from the region rose 14.83 percent year to date through May to $414.07 million. This gave the Western Hemisphere a 27.64 percent market share, with a 10.4 percent gain for the year.

Source: sourcingjournal.com- July 08, 2019

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Economic Diversification Boosts Commerce in Low-Cost Sourcing Countries, OECD Report Shows

A new progress report on the Aid for Trade program–credited with helping to grow apparel manufacturing in developing countries from Haiti to East Africa–said it has been mostly successful in building trade capacity in poor countries, but progress remains geographically uneven.

The report, "Aid for Trade at a Glance 2019: Economic Diversification and Empowerment," said 47 developing countries, mainly in Africa, out of the 88 surveyed, report progress in diversifying their economies since the OECD-WTO Aid for Trade Initiative was launched in 2006. Most progress has been seen in agricultural sectors, followed by services and industry, according to the report.

In the apparel sector, poorer countries, like Ethiopia and Haiti, have been able to improve infrastructure and other capabilities to advance their trade status.

However, countries still struggling to use international commerce to diversify their economies are the least-developed countries or those that are small islands, landlocked, resource-dependent or ravaged by conflict, the report noted.

"Aid for Trade…is having a real impact where it is most needed," Angela Gurria, secretary general of the Organization for Economic Cooperation & Development (OECD), said. "That said, the path toward economic diversification is complicated by subdued trade growth and a decline in FDI (foreign direct investment). Rising trade tensions and protectionism are hurting growth prospects and any shift away from rules-based trade hits the most vulnerable countries and people hardest."

Diversification and empowering small business, youth and women to participate in and benefit from trade will be key for achieving the United Nations Sustainable Development Goals, the report noted.

A total of $409 billion in official development assistance (ODA) and $346 billion in concessional loans have been used since 2006 to boost trade in developing countries by investing it in infrastructure, regulation or providing access to technical assistance. Another $100 billion in ODA and loans from donor countries was committed in 2017, and assistance between developing countries provided another $9 billion.

Every dollar invested in Aid for Trade has been found to generate $8 worth of exports in developing countries and nearly $20 of exports in least-developed countries, according to the report.

Open, rules-based trading contributes to global welfare by helping to disseminate goods, services, technology and knowledge, although many developing countries still face numerous supply-side constraints, according to the report.

Source: sourcingjournal.com- July 08, 2019

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African Trade Pact Set to Boost Manufacturing Capacity on the Continent

A landmark free-trade agreement removing most tariffs and other commercial barriers in the African continent became operational on Sunday, as 54 member states agreed on the process to implement the accord.

The members meeting at an African Union summit in Niger's capital Niamey agreed on mechanisms that will underpin the accord, including determining the rules of origin, a digital payment system, an online tool for listing products and tariffs and a monitoring system to deal with non-trade barriers.

The African Free Trade Agreement commits the governments to greater economic integration, as the signatory states begin a multiyear process to remove trade barriers including tariffs on 90% of commodities. The duty-free movement of goods is expected to boost regional trade, while also helping countries move away from mainly exporting raw materials and build manufacturing capacity to attract foreign investment.

The agreement now includes 54 signatories, after Benin and Nigeria joined the accord on Sunday during the summit. In total, 27 countries including Kenya, Ghana, Gambia and Gabon have ratified the pact that came into force in May 2019. Morocco said it would ratify within days.

"Nigeria is Africa's biggest economy and most populous country," Niger's President Mahamadou Issoufou said in an interview from Niamey. "Without Nigeria, the free trade zone would've been handicapped."

Ghana will be home for the secretariat, or permanent office, of the trade zone, Egyptian President Abdel Fattah al-Sisi — chairman of the African Union — said in his closing statement. His nation along with Ethiopia, Eswatini, Kenya, Senegal and Madagascar had bid to be the host nation.

Ghana President Nana Addo Dankwa Akufo-Addo said his country is ready to give $10 million to help set up the office.

Trading with the slashed tariffs will start in July 2020 to give member states time to adopt the framework and prepare their business communities for the "emerging market," said Albert Muchanga, the African Union's commissioner for trade and industry.

"We haven't yet agreed on rules of origin and tariff confessions, but the framework we have is enough to start trading on July 1, 2020."

Source: sourcingjournal.com- July 08, 2019

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Chinese e-commerce to grow 27 per cent this year

China's retail e-commerce sales are set to grow by 27 per cent in 2019, says market research firm eMarketer. These days, retail growth in China is occurring online and on mobile.

Chinese consumers are purchasing goods online, even some big-ticket luxury products. With the newest technologies like augmented reality and virtual reality and data analytics tools in place, e-commerce companies are providing advanced retail solutions to completely alter the way that luxury, fashion, and beauty retailers serve customers.

Prada has formed a partnership with JD.com and Secoo, a specialty luxury e-tailer. Burberry has been operating on Alibaba's Tmall marketplace for over five years now.

A handful of high-end beauty brands from Estee Lauder, Lancôme, La Mer to Givenchy Beauty are benefiting from Alibaba's retail solutions to spur sales in China, while Chanel Beauty will launch an official flagship store with Tmall.

Another significant retail trend booming in China is the convergence of e-commerce and social media. For the luxury and fashion industries that traditionally places an emphasis on content marketing.

But a majority of the purchases will still be made in brick-and-mortar in the foreseeable future. So an omnichannel strategy augmented by technology is essential, especially in China.

Source: fashionatingworld.com- July 08, 2019

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GSP loss may hurt Sri Lanka

The EU and the US may withdraw GSP Plus concessions for Sri Lanka. If this happens, it will automatically reduce the country's export earnings and the competitiveness of its products in EU markets vis-à-vis several Asian countries enjoying such concessions.

If the US too withdraws its GSP concessions, it will be a double whammy for Sri Lanka. About 57 per cent of Sri Lanka's total exports go to these two markets.

Apparels are Sri Lanka's biggest exports to the EU. Almost 90 per cent of Sri Lankan exports to the EU are exported under GSP Plus or with zero duty.

The GSP Plus scheme encourages increased value addition within Sri Lanka and thereby promotes backward integration, resulting in the setting up of new industries, and creating new employment opportunities in the country.

Sri Lankan exporters can also exploit the potential for agro-based processed food exports in collaboration with European companies through joint ventures and transfer of technology.

Small and medium enterprises can be encouraged to work more effectively and be part of the value chains of larger companies.

However, the GSP Plus utilization rate is still relatively low in Sri Lanka. It was only 55 per cent in 2017. In clothing, it was 43 per cent.

Source: fashionatingworld.com- July 06, 2019

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Armenia seeks to boost trade, investment ties with Vietnam

Armenia is looking at investment and trade partnerships with Vietnam in areas like textile-garments, agricultural products, food, alcoholic beverages and dried fruits, Prime Minister Nikol Pashinyan recently said at a working session with major Vietnamese businesses in Hanoi. The prime minister also showed interest in Vietnamese coffee products.

The event was attended by representatives of the Vietnam Chamber of Commerce and Industry (VCCI) and big Vietnamese enterprises.
Pashinyan said the investment climate in his country is improving to facilitate business development and there are hardly any barriers to foreign investment there, according to a news agency.

VCCI chairman Vu Tien Loc said Vietnam has demand for many commodities from Armenia like machinery, equipment and textile-garments. Vietnam can also step up the export of aquatic products, farm produce, electronic devices and apparel to the European nation, he said.

Source: fibre2fashion.com- July 08, 2019

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Chinese, Russian and Korean firms keen to invest in PSM: Abdul Razzak Dawood

Advisor to Prime Minister for Commerce, Textile, Industry and Production, Abdul Razak Dawood on Monday said that Russian, Korean and Chinese companies have shown interest in investing Pakistan Steel Mills (PSM), ARY News reported.

While briefing Senate Standing Committee on Production and Industries, he said that machinery of Pakistan Steel Mills (PSM) has become old and needs a huge amount of money for its functioning.

Several companies from China, Russia, Philippine and Korea have expressed interest to invest in PSMs, while the recommendation of giving it on lease is also under consideration, he said.

The PM's assistant further said that the Chinese company has completed the overall assessment of PSM. He said that the situation will get more clear after the appointment of transaction advisors.

Earlier in the day, Adviser to Prime Minister on Finance Dr. Abdul Hafeez Shaikh emphasized the need to incentivize the real estate sector as it can attract investment from Pakistani diaspora.

He was chairing a meeting in Islamabad on Monday to analyze different financial models for "Naya Pakistan Economic Zone alongside Islamabad Expressway".

Shaikh assured government's support for the development of the housing sector as it has the potential of providing employment opportunities to the youth.

The adviser further directed to hold another meeting with all relevant stakeholders in the current week for deliberating upon the financial plans prepared by Naya Pakistan Housing Authority (NPHA) for this project.

Source: arynews.tv- July 08, 2019

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EU-Mercosur trade deal opens new opportunities

The European Union and Mercosur states – Argentina, Brazil Paraguay and Uruguay, have reached a conclusion of negotiations for a comprehensive and ambitious Free Trade Agreement at the end of last month.

Euratex, the European Apparel and Textile Confederation, said it welcomes the agreement.

The organisation has been actively engaged in the negotiation process to ensure an agreement fit for textile and clothing companies, also preserving social and environmental standards in the manufacturing of high-quality products.

"Despite a challenging trade environment, we are glad rules-based trade has prevailed," said Alberto Paccanelli, Euratex President.

The EU-Mercosur FTA is the largest trade agreement ever concluded by the European Union, covering a population of 780 million. According to the EU, this agreement will save European companies over EUR 4 billion in duties. For the textiles and clothing industry, in particular, tariffs have been very high, reaching 35% in Brazil.

"In 2018 EU exports of textile and clothing products to Mercosur were 460 million euros and the elimination of tariffs will open further business opportunities for our sector," added Mr Paccanelli. "We look forward to a swift approval by the European Council and the European Parliament."

The EU is the biggest foreign investor in Mercosur with a stock of EUR 381 billion, while Mercosur's investment stock in the EU amounts to EUR 52 billion in 2017. While the relationship is very substantial, both exporters and potential investors face barriers in Mercosur markets. One of the main goals of the new EU-Mercosur trade deal is to remove these barriers and help EU firms – especially smaller ones – to export more.

The voice of the European textiles and clothing industry, Euratex works to achieve a favourable environment within the EU for design, development, manufacture and marketing of textile and clothing products.

The EU textile and clothing industry, with around 171,000 companies employing 1.7 million workers, is an essential pillar of the local economy across many EU regions. With over EUR 50 billion of exports, the industry is a global player successfully commercialising high added value products on growing markets around the world.

Working together with EU institutions and other European and international stakeholders, Euratex focuses on clear priorities: an ambitious industrial policy, effective research, innovation and skills development, free and fair trade, and sustainable supply chains.

Source: innovationintextiles.com- July 08, 2019

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Trump's Trade War Is Turning Out to Be a Boon for Bangladesh

Terms of Trade is a daily newsletter that untangles a world embroiled in trade wars. Sign up here.

For the first time in 30 years, Newage Group, a Bangladesh-based garment manufacturer, is sensing an opportunity to sell in the U.S. And it has President Donald Trump's battle with China to thank.

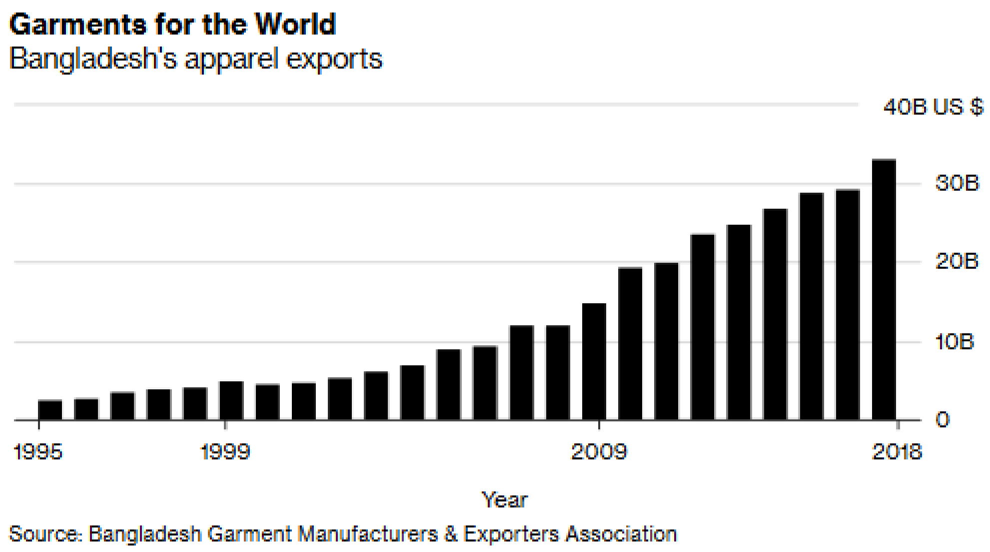
Newage, a supplier to Hennes & Mauritz AB, has been doing business with European companies for three decades but is now getting inquiries from Macy's Inc. and Gap Inc., Asif Ibrahim, vice-chairman of Newage Group, said in an interview.

Rival Viyellatex Group forecasts its annual exports to the U.S. will more than double to $25 million in the year that began July 1, buoyed by rising orders, according to Chairman David Hasanat.

The South Asian nation, which is the world's second-largest garment exporter, has seen the value of its overseas sales rise to a record $3.81 billion in May, coinciding with Trump boosting tariffs on $200 billion of Chinese goods to 25% from 10%.

The tit-for-tat trade war has seen American and Chinese orders for more than half of the 1,981 tariffed products so far being re-routed to other countries, including Vietnam and Malaysia.

"The rate of inquiries has gone up by 30%," Newage's Ibrahim said. "Tariffs are being imposed unilaterally by one person at this point in time. That made some retailers a bit nervous. They are shifting their orders to this country to lower their business risks."



Macy's said in May the company has been working for a "number of months, and really for a couple of years, about moving production out of China," while the same month Gap said it has been migrating sourcing out of China for the last several years.

For Bangladesh, which aims to double total exports to $72 billion by 2024, snaring part of the $41 billion of the clothing business that goes to China will provide a fillip to an economy that the Asian Development Bank forecasts will expand a record 8% for the next two years. Bangladesh's garment industry, which employs 4 million people, accounts for 13% of gross domestic product.

Finished clothing has so far been excluded from the list, but should talks fail and Trump raises tariffs on $300 billion of Chinese products in the next round, textiles will be hit. Bangladesh and Vietnam are well-positioned as apparel manufacturing hubs and will be obvious choices as retailers with exposure to the U.S. move their production out of China, Fitch Solutions said in a report.

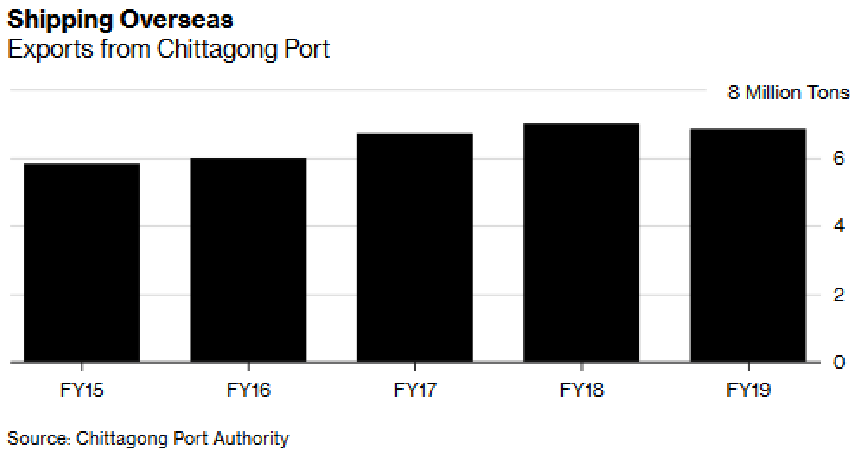
To tap rising demand, Newage, which has an annual revenue of about $100 million, tied up with a Chinese investor to set up a $20 million garment factory in Kaliakoir on the outskirts of the capital Dhaka. The unit expects to start production in four months.

"There's a huge potential to further expand investment" in the garment industry, Bangladesh Prime Minister Sheikh Hasina said in a speech to Chinese businessmen in Beijing on July 4. "We highly value the huge interest demonstrated by the Chinese investors in our country and as such we are setting up a special economic zone for the Chinese Investors."

But for Bangladesh companies there's a roadblock to winning more orders from Western firms. With its infrastructure ranked at 103 in the World Economic Forum's Global Competitiveness Index, compared with 29 for China, Bangladesh needs to improve its supply chain, modernize its garment factories, build highways and reduce red tape at ports to lure more buyers.

Prime Minister Hasina opened two four-lane bridges on the highway to the Chittagong Port in May and another bridge earlier in March, cutting travel time to the nation's main port by almost half. The government has also been accelerating construction of highways. Still it takes 168 hours for exporters in the nation to ship from Dhaka, while it takes just 23 hours in Shanghai, according to the latest Doing Business report by the World Bank.

"Of course, we are not as good as Hong Kong or China," said Khalid Quadir, co-founder and chief executive officer of Brummer & Partners Asset Management (Bangladesh). "There's congestion at the port, but congestion may be the function of more and more containers going there. Our ports aren't ready."



Exporters also need to improve productivity, said Fahmida Khatun, executive director of Dhaka-based Centre for Policy Dialogue. "In order to increase productivity, we need to go for technological upgrade and automation in the garment industry. There are some companies that have adopted automation, but it has to be done across the sector," she said.

Then there's the price advantage. China exports garments at about $2.3 a piece, compared with $2.79 for Bangladesh and $2.52 in Cambodia, according to Rubana Huq, president of Bangladesh Garment Manufacturers and Exporters Association. China's price dominance over other nations along with technological superiority may keep exports from the north Asian nation resilient, she said.

But for now, Bangladesh companies are making the best of the situation. About 30% of Viyellatex's clients, including PVH Corp. -- the owner of American fashion labels Tommy Hilfiger and Calvin Klein, are from the U.S., compared with 20% a year ago.

"We are ready to handle an influx of business orders from American companies," said Viyellatex's Chairman Hasanat.

Source: bloomberg.com- July 09, 2019

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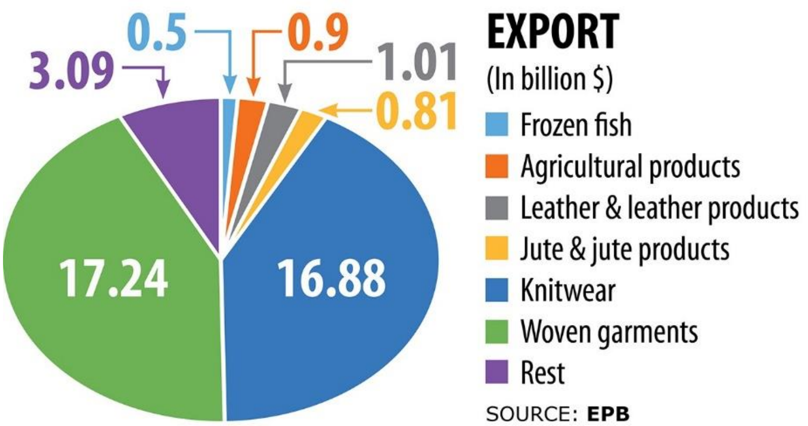
Bangladesh: Double-digit export growth in FY19

The country's merchandise export earnings grew by 10.55 percent year-on-year to $40.53 billion in the immediate past fiscal year riding on a high volume of garment shipment in a favourable external business environment.



The earnings were 3.94 percent higher than the annual target of $39 billion in 2018-19. In 2017-18, Bangladesh exported goods worth $36.66 billion.

However, June recorded one of the lowest export receipts at $2.78 billion, which is also 5.27 percent less than that of the corresponding month in the previous fiscal year, according to Export Promotion Bureau (EPB) data released yesterday.

In June of 2017-18, Bangladesh's export earnings were $2.93 billion.

June's receipts were also 22.65 percent lower than the monthly target of $3.60 billion set by the government. In Bangladesh, the fiscal year is counted between July of a year and June of the next year.

Garment export earnings, which accounted for over 84 percent of the national exports, amounted to $34.13 billion, registering an 11.49 percent year-on-year growth.

Of the amount, $16.88 billion came from knitwear and $17.24 billion from woven garment products.

Earnings from apparel shipment were 4.57 percent higher than the target of $32.68 billion. Some $30.61 billion was earned in fiscal 2017-18.

"The earnings from June indicate that the future trend is not so good for the garment sector," said Faisal Samad, vice-president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), over the phone.

Although garment shipments grew by 11.49 percent, international retailers and brands are not paying higher prices while purchasing garment items from Bangladesh, he said.

However, Bangladesh is getting more work orders that shifted from China resulting from the US-China trade war, Samad said. Buyers are more confident as the image of the country's garment sector has brightened a lot recently because of the remediation carried out as per requirements of the international community.

The country's garment export to the US market, the single largest export destination for garment, grew more than 10 percent in recent months because of the trade war, he said.

"The exact value addition has not been reflected in the offered prices for Bangladeshi garment items by the international clothing retailers and brands although the cost of doing business is increasing every year for various reasons," Samad said.

Moreover, an unhealthy price competition has been hurting the Bangladesh's garment sector for many years as many small and medium factories have been receiving work orders for offering prices below the production cost only to keep factories running, he added.

Apart from apparel, some other sectors also fared well.

The shipment of frozen and live fish such as shrimp and crabs rose 1.58 percent to $500.4 million and that of agricultural products such as tea, vegetables, fruits, spices, dry food, and tobacco surged 34.92 percent to $908.96 million.

Pharmaceuticals, furniture, petroleum byproducts, plastic goods, ceramics, handicrafts, cotton, cotton products (yarn and wastes of fabrics), carpet, terry towel, footwear, wigs, and furniture performed better in the last fiscal year.

However, leather and leather goods and jute and jute goods continued their poor show. Leather and leather goods fetched $1.01 billion, down 6.06 percent year-on-year. This is largely because many tanneries that have shifted to the leather estate in Savar have not embarked on full-fledged production yet.

The sector is the only segment that had crossed the $1-billion export mark after garments last year. Exports of jute and jute goods, another important foreign currency earner, fell 20.41 percent year-on-year to $816.27 million.

The sector's earnings are declining mainly because of higher use of jute goods like sacks in the domestic market and the anti-dumping duty slapped by India.

Home textiles, building materials, ships and bicycles also performed poorly.

Source: thedailystar.net- July 09, 2019

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Securities firms warn listed businesses may struggle to meet EVFTA standards

Việt Nam’s benchmark VN-Index has risen since the ratification of the EU-Việt Nam trade agreement on the back of listed firms whose exports would be boosted by the deal.

However, securities firms have warned their increased share prices may not be sustained as those companies face some internal challenges in meeting the EU’s requirements.

Logistics and industrial property are two economic sector that would benefit from the transfer of capital from the EU to Việt Nam as the free trade agreement has opened the door for more foreign investors.

Việt Dragon Securities Co (VDSC) says Việt Nam may become a new manufacturing hub as US-China trade tensions could shift global manufacturers to Việt Nam from China.

With the signing of the EVFTA, shipments to Việt Nam will increase as foreign companies will have to import machines and equipment to establish their plants in the country.

However, VDSC warns Việt Nam is becoming highly dependent on foreign direct investment (FDI). Therefore, if FDI firms underperform, the logistics sector will also dive.

In addition, a large number of logistics companies haven’t maximised their potential and improved their competitiveness, so they won’t be able to make the best use of the advantages brought by the EVFTA.

Textile and garment

Analysts have said textile and garment companies are going to take advantage of the trade deals between Việt Nam and the European Union as EU tariffs on these products will be curbed to zero per cent by 2026.

But if Vietnamese producers want tax cuts for their exports, they have to meet the EU’s strict requirements on the origin of input materials, according to a report by Bảo Việt Securities Co (BVSC) released in June, 2019.

For textile and garment products, input materials must be locally made in Việt Nam, the EU and markets with free-trade agreements with the two sides – like the Republic of Korea – and the production must be done in Việt Nam or the EU.

Few Vietnamese textile and garment firms meet those requirements as local companies are only capable of production, while input materials must be imported from China and Taiwan – which are not bound by any trade deals with the EU, BVSC reports.

Concerns about the lack of producing raw materials among textile and garment companies caused their shares to underperform or record modest gains on Monday.

Of the 20 textile and garment companies listed on both the Hồ Chí Minh and Hà Nội stock exchanges, only Đức Quân Investment and Development JSC (HoSE: FTM) gained 0.8 per cent on Monday.

The rest of the companies' stocks either slid or closed flat at the end of the first day of the week. Shares of Everpia JSC (HoSE: EVE) fell 0.7 per cent and Thành Công Textile Garment Investment Trading JSC (HoSE: TCM) lost 2 per cent.

Since June 30, Everpia shares have slid 1.1 per cent while Thành Công shares have gained only 2.2 per cent.

Source: vietnamnews.vn- July 09, 2019

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NATIONAL NEWS

India Inc wants restricted market access for China under RCEP pact

Asks govt to stick to no-tariff offer on 42% of items, instead of 90% demanded by Beijing

Negotiations for concluding the ambitious Regional Comprehensive Economic Partnership (RECP) pact this year are in full swing, but the Indian manufacturing sector continues to be apprehensive of competition from China and is demanding higher protection.

Representatives of the Indian industry, including steel, automobile and the engineering goods sectors, have asked the government to restrict market opening offers for China under the mega trade pact between 16 nations to about 42 per cent instead of over 90 per cent being demanded by the Beijing.

“In a recent meeting with the Commerce Ministry, industry representatives said that tariff elimination on 74 per cent items for China being considered by India was too high and would make the Indian industry vulnerable. Instead, India should stick to its initial offer of 42 per cent,” an official told BusinessLine.

Not much benefit

The industry argues that since it has not benefitted much from the existing free trade pacts with the ASEAN, Japan and South Korea, there was little hope that a pact involving China, which already has a huge trade surplus with India, would be useful if most import tariffs are eliminated.

In fact, the concern is that many sectors, with small-scale players, may be wiped out.

China, on the other hand, is not willing to budge from its demand that India should eliminate tariffs on over 90 per cent of goods which it is considering for most other members of the RCEP, including the 10-member ASEAN, South Korea and Japan.

India, recognising the need for continued protection of its industry, had initially offered to eliminate duties on 42 per cent of traded items for China, Australia and New Zealand — the three countries in the group with which it does not have any free trade agreement.

But with all RCEP members pushing for minimal tariff barriers in the region, it has been forced to improve its offer and go up to 74 per cent.

"The Indian government realises that with the industry being so apprehensive about competition from China and demanding protection, there is little scope for raising its tariff elimination offers beyond 74 per cent of items.

Although India is also negotiating for a longer time frame for implementing the tariff cuts, there is a need to protect a number of lines in both agricultural and manufacturing sectors. The negotiations are indeed poised at a difficult point for India," the official said.

Largest trade bloc

New Delhi is also hesitant of opting out of the RCEP pact because, if concluded it would be the largest free trade bloc in the world accounting for 25 per cent of global GDP and 30 per cent of world trade.

Officials from the 16- member countries met in Australia last week with the focussed objective of fast-tracking the negotiations so that the pact could be concluded this year.

So serious are the ASEAN nations in their pursuit of convincing India of respecting the year-end deadline that trade Ministers from Thailand and Indonesia and the ASEAN Secretary General may travel to India to meet Commerce & Industry Minister Piyush Goyal to discuss the matter.

Source: thehindubusinessline.com- July 09, 2019

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Manufacturing sector: Struggling to take off

Addressing the credit needs of MSMEs and hiking public investments are crucial for the revival of manufacturing

For the past decade and a half, revival of the manufacturing sector has been on the agenda of successive governments. After both UPA governments failed to increase the share of manufacturing sector in GDP from 16-17 per cent to 25 per cent within a decade, the Modi government made “Make in India” as its flagship programme in 2014, and adopting the same target set by its predecessor government.

With the share of the manufacturing sector in GDP remaining sticky during the past five years, a key challenge for Modi government 2.0 is to find credible ways of getting this sector on track. The Union Budget presented by Nirmala Sitharaman can, therefore, tell us if the government is geared to the task of manufacturing sector revival.

The manufacturing sector is critical for addressing the steep rise in unemployment growth in recent years, while ensuring that the economy grows at least at the rate as has been claimed by the Central Statistics Office.

However, India’s manufacturing sector is fighting an existential battle. Not only have key industries like textiles and clothing fallen behind in global markets, they are now finding it difficult survive in the domestic market in the face of import competition.

Several industries have been demanding additional doses of protection for a number of years, but it is only in the recent past that the government has begun responding to their demands.

Tariff hikes

In his 2018-19 Budget speech, Arun Jaitley had announced his decision to make “a calibrated departure” from the past policy by increasing customs duties on mobile phones and some electronic components. The reason, to incentivise domestic value addition and to further the objectives of Make in India.

Sitharaman has adopted the same policy of increasing customs duties to protect the interests of domestic players engaged in the production of cashew kernels, PVC, auto parts, synthetic rubbers and a range of electronic products, among others.

However, it needs to be pointed out that the government's policy of import protection can provide only temporary relief to the industries; "domestic value addition" can be effectively incentivised by providing necessary conditions for the expansion of micro, small and medium enterprises (MSMEs).

MSMEs can well act as the magic bullet, for this sector can help expand both manufacturing capacities and job creation. The irony is that despite understanding the value of MSMEs, successive governments have fallen short of meeting the critical needs of these enterprises, especially, availability of credit on favourable terms.

Sitharaman, too, has only announced the establishment of a Credit Guarantee Enhancement Corporation. India urgently needs development finance institutions geared to meeting the critical needs of MSMEs, which exist in several developed and emerging economies. Unfortunately, such an institution has not figured in the priorities of the Finance Minister yet again.

Availability of finance for putting the manufacturing sector on the rails is certainly a problem area and the government's response has been to put the onus on private investment, both Indian and foreign. Like her predecessors, Sitharaman expects that foreign direct investment (FDI) to turnaround India's manufacturing sector.

If recent evidences are considered, these expectations seem exaggerated. For instance, data on FDI provided by the Department for Promotion of Industry and Internal Trade shows that in 2018-19, manufacturing sector's share in total inflows was just 20 per cent, while service sectors like information technology services, e-commerce and retail and wholesale trade accounted for most of the inflows.

Moreover, it is by now clear that FDI did not meaningfully contribute to the implementation of "Make in India", the flagship programme for manufacturing sector revival of NDA-I.

One piece of evidence that could have helped the Finance Minister to develop the financing model for revival of manufacturing is that in all successful countries, private investment has followed public investment.

Like Jaitley did on the issue of customs duties, Sitharaman should have carried out a course correction by going back to a public investment-led financing model for development. This would have also triggered the revival of investor sentiments in general, which has been at unacceptably low levels in the past few years.

Source: thehindubusinessline.com- July 08, 2019

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Helping MSMEs

The Budget proposes a slew of steps, but endemic concerns remain

When IL&FS defaulted on its debt repayments in September 2018, it led to the banks and mutual funds freezing loans to NBFCs in general, as a result of which India's small and medium enterprises took a huge hit, slowing down the economy.

The share of public sector banks in MSME credit has dipped from close to 60 per cent five years ago to well below 50 per cent now, thanks to their emphasis on prompt corrective action — with the private banks and NBFCs accounting for a growing share of MSME lending from the formal sector during this period.

But post September 2018, the NBFCs vanished from the scene, leaving the MSMEs more dependent than ever on informal sources. In an effort to break this deadlock, the Budget has proposed bank recapitalisation of ₹70,000 crore and a one-time guarantee for purchase of 'high rated' NBFC assets.

Prompted by an interest subvention for GST-registered MSMEs, it should lead to a reinfusion of funds into an ecosystem that, according to the recent RBI report on MSMEs, accounts for 28 per cent of the GDP, 45 per cent of manufacturing output, 40 per cent of exports and employs about 111 million.

Steps for including MSMEs into the formal fold should most importantly include defining them on the basis of turnover rather than plant and machinery value, and reducing the GST rates on the goods and services provided by them.

The Budget has announced a number of facilitation measures, such as creating a payment platform to resolve delays and streamlining the process of government procurement. Collateral free loans have also been pushed in recent times, as has the MUDRA refinance scheme. But access to low cost finance and the problem of locked up working capital, remains an endemic concern.

An attitudinal shift within banking staff is finally what will make a difference. As for the flow of funds to NBFCs, the Financial Stability Report claims that a firewall of sorts has been erected between NBFCs with asset-liability mismatches and the good ones, but it remains to be seen whether banks and refinance agencies finally loosen their purse strings, or adopt the right parameters in doing so. The Budget’s proposal to extend the scope of Reserve Bank regulation to the NBFC sector could not have been better timed.

The Finance Minister has also sought to address other MSME concerns. An amnesty scheme to resolve tax disputes is welcome, as formalisation in the wake of GST has already imposed transaction costs on small units. It does not help that export-oriented MSMEs still run from pillar to post to claim policy benefits.

A cluster development approach to innovation, involving collaboration with research institutes, should be promoted. MSMEs in high tech areas need a set-up that takes their mind off other managerial headaches. The Budget has made only a modest start.

Source: thehindubusinessline.com- July 08, 2019

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Budget 2019: Surat textile industry not happy with decision on excise duty, fuel cess

Union Budget 2019 India: The Centre's budgetary announcement of raising excise duty as well as road & infrastructure cess on petrol and diesel has not gone down well with those associated with Surat's Rs 80,000 crore textile industry which directly and indirectly employs over 15 lakh people.

"Surprisingly, there was hardly any mention in Budget speech about textile industry, which gives largest employment after agriculture in the country," said Manoj Agarwal, president of Federation of Surat Textile Traders Association (FOSTTA).

"With over 50% market share, Surat is the hub of man-made fabric (polyester) in the country. Raw material for the polyester fabric is also petroleum product and it would become costlier. Moreover, transportation cost at every stage right from bring raw material, sending grey fabric to process houses and sending finished goods in market would also become dearer as already petrol and diesel prices have gone up by Rs 2.50 per litre," he added.

Already, textile industry in the country, including that in Surat, is experiencing rough time and hence FOSTTA had demanded dedicated 'Garment Hub' near Surat ahead of union Budget. Now, increase in cess on petroleum product has put additional burden on all those associated with man-made fabric manufacturing ecosystem.

There are seven lakh power looms in Surat out of which nearly six lakhs are operational as around lakh are in the process of modernisation, said Agarwal. Of around 400 process houses, 80 have been shut down due to recession, he added.

Not only hike in petroleum, the industry is dejected over no change in GST provisions and limit on cash transaction. Textile industry in Surat had pitched strongly for removal of reverse charge mechanism (RCM), but it would remain the same as the finance minister didn't even touch on the subject, said Devkishan Mangani, chairman, textile committee, South Gujarat Chamber of Commerce and Industry (SGCCI).

According to Mangani, due to RCM, money circulation cycle has become prolonged and hence they are facing acute shortage of finance.

He further said that in textile value chain at various stages, businessmen are required to do cash transaction, but due to limit of Rs 10,000 per day, many in fabric manufacturing process are facing difficulties. "We have demanded increase in the limit up to at least Rs 25,000 per day. However, it was also not considered," he added.

The annual turnover of the textile industry in Surat is pegged at around Rs 80,000 crore. After demonetisation and implementation of GST, production of fabric has gone down from 4 crore meter per day to 2.5 to 3 crore meter per day. The textile industry was also pitching for the removal of GST for those units whose turnover is below Rs 5 crore. At present, the limit is just Rs 50 lakh, which remained unchanged in the Budget.

Source: financialexpress.com- July 09, 2019

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El Salvador seeks Indian investments in artificial intelligence, security, solar energy and infra projects: Envoy

Central American nation El Salvador urges Indian companies to invest in that country and to take advantage of the several incentives and benefits being offered by the new government of President Nayib Bukele. And is seeking investments from India in manufacturing and services, specifically in the areas of offshore business services, renewable energy, tourism, aeronautics, textiles and apparel, and light manufacturing.

In an exclusive interaction, Ariel Andrade Galindo, Ambassador of El Salvador to India said that "At the age of 37, President Nayib Bukele is the youngest leader in the region. Coming in with fresh ideas, he is working hard with a new team of ministers to make the country more investor-friendly."

"We are in the phase of getting to know what is good for the youth of our nation, incentives which would attract investors, and how to maximize our resources for the betterment of our own economy as well expanding our trade relations with other countries through key concepts as blue economy and orange economy. Also, President Bukele has taken the commitment to curb and eradicate the gang violence," he added.

According to him, "Though the new government in my country is in the process of settling down, we are looking at the new sectors we can collaborate with India. India has a lot of expertise in solar energy as well as renewable energy. As members of the International Solar Alliance, this is an area where we are looking at a future collaboration with companies based in India as well as tying up with government bodies as the Chennai based National Institute of Wind Energy."

While the Central American nation is a large exporter of textiles, various sectors including pharmaceuticals, plastic, paper, agriculture machinery and technology are also open for Indian investments and expertise. "We must look for complementarities in the value chain of these industries, which are very important for both countries and with a lot of potential in third markets", he said.

According to Galindo his country is also offering incentives and investment opportunities in an effort to woo global entrepreneurs. Today, El Salvador's international services law is the only legislation in the region that provides full exemption from income tax for an indefinite period of time, among other benefits.

El Salvador is located in the heart of the Americas and it is an export-oriented free-market economy and could be a gateway to not only the US and adjoining nations but also to Europe.

According to him Aviation sector, especially MRO which has steadily evolved to become the most important in the Latin-American region, could be one of the areas where the two countries can cooperate.

Said senior officers in the Ministry of External Affairs (MEA) a grouping such as the Central American Integration System (SICA) is very important and has eight full members: Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

El Salvador, along with neighbouring Guatemala and Honduras, forms part of the Customs Union of Central America's Northern Triangle, which has been pushing cross-border trade by cutting down the time it takes to move goods through customs. This represents a $6.2 billion market and a 32.1 million customer market with a $134 billion GDP.

Next round of talk of India Central American Integration System (SICA) forum is expected to take place later this year, which will encourage better trade and bilateral relationship between the countries, government officials confirmed to Financial Express Online.

India has set up Centres of Excellence in Information Technology in the SICA countries and is concentrating on promoting cooperation in the five pillars of regional integration, as well as, in key areas such as agriculture, food security, energy security, MSMEs, and capacity building.

"We are hoping for the Regional Barefoot Vocational Training Centre (RBVTC) which is going to be set up in neighbouring Guatemala and will train Latin American women from remote villages in the rural area as Solar Technicians" the envoy added.

According to the ambassador, "The country is interested in Orange Economy which is building cultural infrastructure, which could include everything from education, training, film making, and software developers to fibre-optic networks. We are looking to India for technology related to several areas, from agriculture and water management to industry 4.0 and Artificial Intelligence."

What is Orange Economy?

It refers to a country's creative industries, whose goods and services are based on intellectual property.

Under this cultural industry divided into three categories include: books, newspapers, magazines, libraries, film, television, photography, radio; other works that are based more like visual and performing arts, dance, opera, fashion, design, museums, architecture, gastronomy; and new works that tend to be digital or multimedia and have come about in the last half-century or so.

Source: financialexpress.com- July 09, 2019

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Crisil SME Tracker: A raft of positives for MSMEs in Budget 2019

Among the announcements was a two per cent interest rate subvention on fresh loans for GST-registered MSMEs, which would benefit a fifth of all MSMEs in India

THE TReDS PLATFORM

Total participants registered and invoices financed on TReDS (as on March 2019)

Participants registered

MSME sellers	3,708
Buyers	604
Banks	71
NBFC factors	5

Invoices financed

No of invoices (₹ lakh)	2.5
Amount (₹crore)	6,700

Source: RBI

Steps announced in the latest Union Budget are a long-term good augury for micro, small and medium enterprises (MSMEs), though in the near term, the benefits are expected to be moderate.

Among the announcements was a two per cent interest rate subvention on fresh loans for GST-registered MSMEs, which would benefit a fifth of all MSMEs in India. That said, the Rs 350 crore allocation for this would support only around 10 per cent of incremental MSME lending.

The move to allow participation of non-banking financial companies (NBFCs) in the Trade Receivables Discounting System (TReDS) is also welcome, given the chronic working capital funding issue faced by MSMEs. This opens a new lending avenue for NBFCs, which already accounted for about 13 per cent of MSME lending last fiscal.

As of March 2019, only 71 banks and five NBFC factors were registered on TReDS platforms. Since its inception in 2014, TReDS has seen just 2.5 lakh transactions, totaling Rs 6,700 crore, and needed a strong push.

The creation of a new payment platform by the central government, on its part, will facilitate faster payments for MSME vendors and ease their working capital and cashflow stress.

This apart, several new measures to help the startup ecosystem, including removal of the angel tax, are also a positive.

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

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Breather for exporters as Centre to pay ITC refund for State GST

As per industry, there is a huge difference in the amount claimed, state goods and services tax (SGST) sanction amount received from central tax authority and the amount actually disbursed.

In a major relief to exporters, the Centre will now pay the input tax credit (ITC) refunds of state taxes, thereby reducing transaction time and costs, and manual interface in claim processing.

As per industry, there is a huge difference in the amount claimed, state goods and services tax (SGST) sanction amount received from central tax authority and the amount actually disbursed.

“The central government has been authorised to pay the amount of refund towards state taxes to the taxpayers,” according to the 2019-20 budget. At present, the taxpayers file refund claims with the central tax officer, who clears half the claims, and the rest are cleared by the state tax authorities, leading to higher time taken in claim processing and refund sanctioning.

Exporters also say that ITC refund is partly electronic and partly manual. The exporter files refund application at the portal, takes a printout along with acknowledgement and carries it to GST authorities in hard copy along with required documents, which too vary from authorities to authorities. The physical interface adds to the transaction time and cost.

“The states and Centre did their own respective approval of ITC refund but now only one will approve both. This is a relief for exporters as it would reduce transaction time and costs,” said Ajay Sahai, director general at Federation of Indian Export Organisations.

The breather comes as exporters grapple with tight credit norms amid slowing global trade growth. Total disbursement of export credit was Rs 7.38 lakh crore in December 2018, a decline of 20% on year.

Share of PSU banks in total disbursement of export credit declined from 65% in FY16 to 45% in FY18.

Exporters have said the number of refund applications filed on the portal are higher than those received in the state tax office.

"The ability for Centre to give the refund for both the CGST and SGST will ease the problems being faced currently specially by the exporters and remove the delay in getting the entire cash post the sanction of refunds," said Bipin Sapra, partner at EY.

Source: economictimes.com- July 09, 2019

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Ministry of Skill Development & Entrepreneurship launches "Kaushal Yuva Samwaad"

Creates a Dialogue With Youth to Gauge their Perspective on Skill Development

Commemorating World Youth Skills Day on July 15, 2019 and celebrating 4th Anniversary of the Skill India Mission, the Ministry of Skill Development & Entrepreneurship has announced launch of "Kaushal Yuva Samwaad" (A Youth Dialogue).

To be organized between 8th and 10th July 2019, Kaushal Yuva Samwaad is aimed at creating an open dialogue with the youth across all skill training centres to hear their views, ideas, opportunities and recommendations which could help the Ministry in scaling the existing programs and improve overall efficiency of its projects.

Kaushal Yuva Samwaad is being organized across all Skill India training centres, namely, Pradhan Mantri Kaushal Kendras (PMKK), Industrial Training Institutes (ITIs), Polytechnics, Institutes under Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Jan Shikshan Sansthans, DDU-GKY

Centres and other fee-based training centres across the country. As per the mandate, each training centre must invite a minimum of 20 candidates to participate in the dialogue. Post the dialogue, the recommendations from the Kaushal Yuva Samwaad are to be submitted to the Ministry via a portal https://www.nsdcindia.org/kys/ Announcing the launch of Kaushal Yuva Samwaad, Dr. Mahendra Nath Pandey, Minister of Skill Development & Entrepreneurship said, “Over the last 5 years, the Government has been able to successfully create the foundation for skill development in the country. We have more than one crore youth joining the mission annually. It is equally imperative for us to understand the perspective of our youth who are our biggest target group.

Kaushal Yuva Samvaad will be the platform to discuss potential issues and solutions from the candidates' perspective and will give us the perspective to match aspirations of the youth with the offerings of Skill India.”Selected candidates will be invited to participate in an open dialogue with the Hon’ble Ministers of Skill Development & Entrepreneurship on July 15, 2019 at Vigyan Bhawan in New Delhi. Kaushal Yuva Samwaad aims to create a dialogue between the youth and the Ministry. It is intended to identify and rectify the gaps so that all skill development programs are aligned to the current demands and help in creating a skilled workforce for the future.

To raise awareness about the importance of investing in youth skills development, the United Nations General Assembly commemorates July 15th every year, as World Youth Skills Day (WYSD). This UN designated day seeks to generate greater awareness of and discussion on the importance of technical, vocational education, and training and development of marketable skills relevant to both local and global economies.The National Skill Development Mission (Skill India Mission), launched on July 15, 2015 under the esteemed guidance of Hon’ble Prime Minister Shri Narendra Modi, has been steadily making progress.

Nearly One Crore youth are being presently imparted skills training annually under various programs of the Government through Skill India Mission. The mission also envisages convergence, coordination and harmonization of the fragmented skilling efforts of various Ministries in Government of India and other key stakeholders like State Government, Industry, Training ecosystem etc. through the instruments of Common norms, implementation of National Skills Qualification Framework (NSQF), data integrations through the Skill India Portal and quality assurance through the SMART (Skill Management and Accreditation of Training Centre) portal. India is a young nation and a skilled workforce will be able to cater to not only the market demand within the country but also the global market.

Source: 5dariyanews.com- July 09, 2019

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Will hold consultations on relaxing local sourcing norms for single brand retailers: DPIIT Secretary

The department would finalise the proposal after the consultations to take approval from the Cabinet.

DPIIT will hold consultations with stakeholders to discuss ways to further relax local sourcing norms for firms having FDI and undertaking single brand retailing in the country, a top official said.

Secretary in the department for promotion of industry and internal trade (DPIIT) Ramesh Abhishek, however, said there will be no relaxation in the mandatory 30 per cent local sourcing norms.

"We would try to make it more simple for retailers to comply with the provisions of sourcing. There will no change in the 30 per cent thing," he told PTI.

"We will do stakeholder consultation to see what we have to do," he added.

The department would finalise the proposal after the consultations to take approval from the Cabinet.

Last year, it was stated that retailers can show the amount of goods exported from India against meeting the mandatory 30 per cent local sourcing norms.

Retail traders were allowed to adjust the incremental sourcing of goods from India for global operations during the initial five years (beginning April 1 of the year of the opening of first store), against the mandatory sourcing requirement of 30 per cent of purchases from India.

According to a source, there could be some changes in this provision and retailers could be given more time than the present five years.

In 2006, the government had allowed 51 per cent FDI in single brand retail. In January 2018, 100 per cent FDI was permitted for foreign players in single brand retail trade to set up own shops in India without government approval.

That time, the government had relaxed mandatory local sourcing requirement of 30 per cent by stating that a foreign retailer would be able to get credit from incremental rise in sourcing for its global operations from India towards the mandatory 30 per cent local sourcing requirement for its business in the country.

The retail trading sector attracted USD 1.65 billion FDI between April 2000 and March 2019.

Finance Minister Nirmala Sitharaman, in her Budget speech, said the government will ease local sourcing norms for FDI in single brand retail sector.

Source: economictimes.com- July 08, 2019

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India emerges global leader in jute

Most of the machines in Indian jute mills are from China. Some of the key clusters where active jute mills are present are Champdany, Delta, Howrah, Kamarhatty, Kanoria, Mahadeo, Rameswaram, Tirupati and Titaghur. The Indian jute industry employs 4,00,000 mill workers and supports an estimated four million families. The market for diversified, value-added jute products is estimated at Rs 400 crores. It is growing 20 per cent year-on-year.

The Jute Corporation of India is planning a tie-up with Patanjali for branding and promotion of jute products such as shopping bags and some fashion items. Amid a global push to reduce the use of plastic for environmental reasons, India is promoting jute as a material for reusable shopping bags, home furnishings, clothing, even diapers and women’s sanitary pads.

Jute is a natural fiber with a golden and silky shine. It is the second most important vegetable fiber after cotton, in terms of use, global consumption, production and availability. It has high tensile strength, low extensibility, and ensures better breathability of fabrics.

Jute fiber is 100 per cent bio-degradable and recyclable and thus environmental-friendly. It is one of the most versatile natural fibers that has been used in raw materials for packaging, textiles, non-textile, construction, and agricultural sectors. It is used to make good quality industrial yarn, fabric, net, and sacks.

Source: fashionatingworld.com- July 08, 2019

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Bangalore to host denim event

Denimsandjeans India will be held in Bangalore from July 17 to 18, 2019. The event will host 40 companies from the Indian denim supply chain plus companies from Bangladesh, Turkey, Far East, the US and many from Europe.

The event will feature seminars by global experts. An indigo festival will focus on traditional indigo dyeing and printing techniques from different parts of the country.

Artisans from Rajasthan, Gujarat etc. will conduct workshops to showcase the arts they have been practicing.

Designers will exhibit special denim creations, adding their unique concepts, collections, creations to the show while adding value to the supply chain with their services.

There will be a denim wall made with rolls of selvedge denim. Experts will help create customised selvedge jeans for customers at highly subsidised rates. Customers can select the fabric from the wall and get their measurements done. The jeans customised to their fit will be sent to customers. So this is an opportunity to have selvedge jeans made to fit.

India is a booming retail market and a promising sourcing destination. India is expected to grow over eight per cent per annum till 2025. Over 300 international brands are expected to set base in India in the next three years.

Source: fashionatingworld.com- July 08, 2019

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Upcoming Delhi textile fair to showcase fashion trends

Over 240 global manufacturers in the field of fashion will showcase emerging fashion trends -- colours, prints, fabrics, accessories and lifestyle -- in an upcoming textile fair. It will run from July 15-17 at Pragati Maidan here.

The 'Textile Fairs India 2019' will bring supply chain partners from fibre to fashion at three fair shows - YARNEX, F&A Show and Fashion Connect.

The manufacturers come from India, Austria, China, Hong Kong and Japan, to showcase their latest developments in fibres, yarns, apparel fabrics, trims, embellishments and garments, the organisers said.

It also aims to overview fashion information for Spring Summer 2020 and Autumn Winter 2020.

Sustainable fashion also makes the cut at the three-day fair, as industry experts discuss the green way forward in fashion. A showcase of recycled, upcycled and circular fashion can also be spotted.

Design and product awards also feature in the event.

Source: thehansindia.com- July 07, 2019

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