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IBTEX No. 8 of 2020 January 10, 2020

US 71.13| EUR 79.01 | GBP 93.02| JPY 0.65

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19139	40000	**71.66**

Domestic Futures Price (Ex. Warehouse Rajkot), January

Rs./Bale	Rs./Candy	USD Cent/lb
19800	41382	**74.14**

International Futures Price

NY ICE USD Cents/lb (March 2020)	70.69
ZCE Cotton: Yuan/MT (May 2020)	14,290
ZCE Cotton: USD Cents/lb	93.50
Cotlook A Index – Physical	**78.50**

Cotton Guide- This morning when we look at the charts, the prices are shown to have touched a figure of 70.85 cents per pound which is considered to be the high figure. As mentioned in our previous reports 74 cents per pound does not look unachievable.

The ICE March contract settled at 70.69 cents per pound with a change of +73 points. The ICE May contract settled at 71.86 cents per pound with change of +76 points. Volumes were seen to have crossed 40K contracts at 41,983 contracts.

The Market participants are now waiting for the two reports [US Export sales and WASDE] which are scheduled to be released this evening. The world supply figures are expected to be lower as Pakistan and USA production figures are presumed to witness a decline. This bullish sentiment was the main reason for yesterday's increase in ICE and MCX. Also according to the saying "Trend is Friend", Speculators are riding on the bullish trend.

The MCX cotton figures on the other hand were positive by around 20 Rs for both MCX January and MCX February contracts. They settled at 19,800 Rs per Bale and 20,060 Rs per Bale respectively. While we write this report at 10:50 the MCX January prices are skyrocketing by +180 Rs per Bale, thus MCX January futures are trading at 19,980 Rs per Bale. Daily volumes were at 1370 lots.

The Cotlook index A has been keep unchanged at 78.50 cents per pound, whereas the prices of Indian Shankar 6 is seen on to trade on a rising hill at 40,000 Rs per Candy as can be witnessed from the website of CAI.

On the fundamental front, we keep our stance positive for both ICE and MCX. Expect some good amount of volatility this evening. Also, with January 15 approaching [singing of the trade deal] the ICE prices can easily hit 73 cents per pound. The negative factor for cotton is the external factors which is Crude Oil- WTI is trading 4 Dollars per Barrel lower as compared to day before yesterday, which will bring immense pressure from Manmade textiles. Another factor which is set to cause changes in Cotton Prices both in Indian Physical cotton and MCX is the import restrictions put on Palm Oil by the Indian Government.

On the technical front, in daily chart, ICE Cotton March price moved higher as it breached the psychological mark of 70, in yesterday's trade. Meanwhile price is approaching 76.4% Fibonacci extension level at 70.94 as it sustained above 69.56 .As per the daily charts price is moving in the upward sloping channel after breakout of the bullish inverted HNS pattern. For near term support exists around 9 day EMA at 69.67, which is followed by 61.8% Fibonacci extension level at 69.56. The momentum indicator RSI at 69, suggesting firmness in the trend, implies rally in price. The immediate resistance for the price is the previous high (70.94) 76.4% Fibonacci extension level. Thus for the day we expect price to trade in the range of 70.10-70.94 with a sideways to positive bias. In MCX Jan Cotton, we expect the price to trade within the range of 19720-20100 with a sideways to positive 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

Global growth poised for modest pick-up in 2020

However, there are many risks that can derail the growth

Global economic growth is likely to pick up slowly this year and next, though the recovery will be more modest than previously estimated, despite the easing of trade tensions, according to the World Bank.

The expansion will accelerate marginally to 2.5 per cent this year from a 2.4 per cent pace in 2019, largely because of stabilisation across a handful of large emerging economies, the lender said in its latest Global Economic Prospects report, which was released on Wednesday in Washington. The bank also warned that conditions remain fragile as it cut estimates for growth in 2019, 2020 and 2021 and lowered euro area and China estimates for this year.

Uncertainty remains

This projected recovery could be stronger if recent policy actions — particularly those that have mitigated trade tensions — lead to a sustained reduction in policy uncertainty, the bank's economists wrote.

"Nevertheless, downside risks predominate, including the possibility of a re-escalation of global trade tensions, sharp downturns in major economies, and financial disruptions in emerging market and developing economies."

The outlook for a shaky recovery follows a year in which faltering trade and investment dealt the world its weakest growth since the global financial crisis. The bank warned that the scenario depends on much going right — an outcome that may be less likely should tensions between the US and Iran continue to flare.

"While the report only reflects readings through December, the subsequent increase in geopolitical tensions could weigh on confidence and increase uncertainty," according to Ayhan Kose, director of the Prospects Group that produces the report.

"So far, the reaction has been somewhat muted, but we need to see, because these are ongoing developments," Kose said in an interview this week. "Fragile security conditions are always an issue, and if there is a sustained increase in uncertainty, this will have an impact on confidence and that will in turn have an impact of course on investment and global activity."

Global trade is projected to rebound after weighing on 2019. Volume growth will climb from a post-crisis low of 1.4 per cent last year to 1.9 per cent this year and 2.5 per cent in 2021, the bank said. It also warned tensions could re-escalate.

The world's finance ministers and central bankers pledged at their last big gathering in October to use all tools, including fiscal policy, to support demand amid an uncertain outlook and elevated risks. The International Monetary Fund at the time cut its 2020 global growth estimate to 3.4 per cent from 3.5 per cent seen in July.

Growth estimates

For the US, the World Bank raised 2020 and 2021 growth estimates by a 10th of a point to 1.8 per cent and 1.7 per cent respectively after 2.3 per cent forecast for 2019. More progress in trade talks with China and less trade policy uncertainty could result further boost US growth, the bank said.

Most 2020 revisions, however, were downward. The bank cut Europe's forecast by 0.4 percentage point to 1 per cent with the following year unchanged at 1.3 per cent. China's was reduced to 5.9 per cent, which would be the first sub-6 per cent reading since 1990, with more deceleration expected in the following two years. Japan's 2020 estimate was unchanged at 0.7 per cent.

The forecast for a slight uptick globally was mainly because of a rebound in a few large emerging economies, most of which remain fragile as they're coming out of recessions or sharp slowdowns. About 90 per cent of that 2020 pickup comes from just eight countries: Argentina, Brazil, India, Iran, Mexico, Russia, Saudi Arabia and Turkey.

Absent that, there would be almost no acceleration in the emerging world and, with advanced economies slowing, global growth would actually decelerate, the bank said in its semi-annual report.

The Argentine economy was downgraded to a projected 1.3 per cent contraction this year and 1.4 per cent growth next year, though impacts of its severe financial-market turmoil will gradually diminish over the forecast horizon.

Elsewhere in Latin America and around the world, growing social unrest over inequality, slow growth, governance and economic policy has the potential to disrupt activity and damage infrastructure, and may make fiscal conditions more challenging for governments trying to ease tensions, the bank said.

Source: thehindubusinessline.com - Jan 09, 2020

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China: Textile firms bank on BRI for growth

China's textile industry, a sector that provides jobs to over 27.15 million people in both production and sales, will tap more growth seams in economies related to the Belt and Road Initiative and improve garment makers' innovation capabilities to stay competitive this year, said a senior industry official.

As participating countries are expected to sign the Regional Comprehensive Economic Partnership this year, China's textile industry must accelerate the adjustment of products, capacity and trade structure to better integrate regional development in the next stage, said Sun Ruizhe, president of the China National Textile and Apparel Council.

"The simplification and unification of rules will boost resource flows within the region, and cut transaction costs and risks," he said, adding the RCEP will further enrich regional cooperative content in areas such as digital economy and intellectual property protection, paving the way for future cooperation among industries across the mega trade bloc.

The rise of emerging markets such as Vietnam, India and Bangladesh has also changed the division pattern of labor and trade in the global textile business, he said.

Affected by weak demand from developed markets and the rise of protectionism, China's textile and apparel exports dropped 2.2 percent year-on-year to $232.31 billion between January and October last year, data from Beijing-based CNTAC show.

In the meantime, China's textile and apparel shipments to the US, the European Union and Japan declined 4.5 percent, 5 percent and 5.5 percent year-on-year respectively, while its total exports to countries and regions participating in the Belt and Road Initiative grew by 1.3 percent, and exports to Africa jumped 6.6 percent from the same period a year earlier.

To improve the product value and tackle climate change, Sun said green textile products have already become the new trend in the textile industry.

"Textile makers in China have already begun to adopt renewable energy sources, environmentally friendly textile materials including biomass fiber and recycled substances to make the whole production process pollution free, as well as cut dependence on crude oil when producing common synthetic materials such as nylon or polyester," he said.

Since the fourth industrial revolution is still in its infancy and many technical applications are immature, Sun said the instability of certain new technologies can lead to higher initial investments and trial costs.

For example, Adidas said in November that its two automated plants in Germany and the United States will soon shut down, and it will transfer the capacity to Asia.

Huang Qunhui, director of the Institute of Industrial Economics at the Chinese Academy of Social Sciences in Beijing, said domestic companies must have a rational attitude toward relatively advanced industrial applications like quantum computing and other emerging technologies, and deploy more resources in innovation and green development to better compete with their established global rivals.

Ningbo Peacebird Fashion Co Ltd, a Zhejiang-based multibrand fashion company, plans to expand its global presence with more flexible branding strategies, international designers and innovation.

Zhang Jiangping, the company's chairman, said the firm will enter overseas markets such as Vietnam and Malaysia soon, after learning of local consumers' higher purchasing power and changing lifestyles.

"China has fabulous designers, a large market, and outstanding brands, but it needs to make global consumers aware of the charm of Chinese brands, which certainly can be promoted on a bigger stage," he said.

The business executive also found that crossover branding has become a hot term for many sectors. "Brand collaboration arouses consumers' curiosity, giving them a new reason to spend. It usually generates unexpected market feedback and decent sales both at home and abroad," he said.

Source: ce.cn - Jan 09, 2020

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USA: Do Tariffs Really Work In A Globalized Economy?

The Trump administration has introduced a series of trade tariffs against China to punish the second-largest global economy for its "unfair trade practices," according to the BBC. China, in turn, imposed tariffs on U.S. imports, especially on agricultural products.

The U.S. and China are the world's largest economies with huge demand and supply potential for each other. China exports 70% of the footwear sold in the U.S., and according to the Office of the United States Trade Representative, in 2018, the U.S. exported more than $9 billion worth of agricultural products. The U.S.TR also reported the U.S. trade deficit with China was approximately $419 billion that same year.

In a more connected, post-Cold War world, countries have been increasingly relying on one another for products and services. Laws of economies of scale are sinking into the architecture of global trade, with the World Trade Organization functioning as a trading watchdog, protecting countries' interests within the international laws. In addition to the World Trade Organization, sovereign countries have been using regional trade agreements to either extend or protect their economic interests outside their borders. Different trade strategies are adopted by countries to extend their economic interests.

Small businesses are directly impacted by any growth or shrinkage in export volume as they form the supporting body in the domestic manufacturing and service sectors. In the post-Cold War world, tariffs have been reduced or eliminated to help create an easy flow of goods and services across borders. Countries, however, still use tariffs to either protect their local industry or punish their target country.

Since my early career in international trade, I have been studying international trade dynamics, especially in the light of international relations. Through this experience, I've seen that there are several ways small businesses you can avoid a tariff's impact, some of which I would like to discuss here:

Value-Addition Through A Neutral Country

One of the tactics most commonly used by businesses impacted by the tariffs against their products is to take partial manufacturing into a third, more favorable and neutral country that isn't impacted by the trade restrictions. This helps keep the costs low with little or no impact on the businesses' exports while evading the tariffs against the country.

China's apparel and footwear businesses, for instance, can seek out manufacturing partnerships in Pakistan, Bangladesh and even in India, all three countries with established textiles infrastructure, while keeping their exports at previous levels to the U.S. I've seen similar strategies adopted by other countries when they faced either higher tariffs or outright sanctions from the importing country.

Many prudent businesses spring into action by establishing their value-added facilities outside their native countries' boundaries to minimize the impact of tariffs on their businesses.

Increasing The Public Pressure

Tariffs create a significant pressure on the exporting country's businesses as their exports slow down and importers look for alternatives elsewhere, if suitable and quick alternatives are available. Small businesses can form unionized bodies with ample budgets to initiate lobbying and public relations campaigns overseas that might reverse the adverse actions by the importing country.

Government Subsidies

The exporting country sometimes offers generous subsidies to its manufacturers to help reduce the burden of tariffs. When China imposed tariffs on U.S. soybean exports, for example, the U.S. government rolled out $16 billion in subsidies to its farmers to help mitigate the impact of a trade war with China.

It is important for small businesses to leverage the power of their local chamber of commerce and related trade associations to lobby their government for subsidies.

Increasing Demand For Domestic Products

Countries under the threat of tariffs can also create domestic demand for their products to help reduce the impact of lower exports. A growing country like China can easily identify and bolster local demand sectors for its textiles and footwear products by incentivizing its population to buy domestic products. The U.S. government can also encourage the local manufacturing sector to ramp up its production for local consumption like it did with its oil sector.

Local businesses impacted by tariffs can create "buy local" campaigns to encourage their communities to buy domestic products. Individual businesses can create individual as well as collaborative "buy local" campaigns through social media or by creating awareness through traditional media platforms.

Creating Demand In Other Economies

Both countries engaged in a recent trade war, China and the U.S., have been actively seeking out new markets for their products. With billions of dollars in its pocket, China is steadily expanding into the African, Middle Eastern and Central Asian markets through its Belt and Road Initiative. The U.S. also uses the tools at its disposal to expand its "soft power" to help promote its economic interests.

Similarly, individual businesses can also seek out new markets near their home country or elsewhere, especially if the market size and capacity to consume their products is healthy.

With a variety of alternative tools at a state's or business's disposal amid a trade war, I believe it's virtually impossible to create a real impact through tariffs in a highly integrated world. Active negotiations and the strengthening of the global trade framework are some of the most prudent options to create a value proposition for your domestic business.

Trade wars not only impact large manufacturing units, but also the supporting small businesses associated with the sector. Small businesses, through their associated chambers of commerce, can lobby to ensure their interests in any trade war. It is important for any small business to not only understand the macro-economic policies and politics, but also learn about the tools that can help them during a trade war.

Source: forbes.com - Jan 08, 2020

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Trump's tariffs cost US companies $46 billion to date, shows data

Tariffs imposed by President Donald Trump to restructure the United States's top trade relationships have cost American companies $46 billion since February 2018, and US exports of goods hit by retaliatory tariffs have fallen sharply, according to an analysis of Commerce Department data.

The lion's share of the higher tariff costs, some $37.3 billion, stemmed from duties on imports from China, said Washington-based consultancy Trade Partnership Worldwide, which calculated cumulative tariff costs through November 2019, the latest data available.

Exports of US goods hit by retaliatory tariffs from China and other countries fell by 23 per cent in the 12 months ended November, compared with 2017, before the tariffs began, the analysis showed. Even when retaliatory tariffs have ended, those exports haven't bounced back, said Trade Partnership Vice President Dan Anthony.

Seasonally adjusted US Commerce data released on Tuesday showed the overall US trade deficit narrowed to a more than three-year low in November.

The Trade Partnership uses raw, not seasonally adjusted, data, which is specific enough to match tariff codes to categories of goods, and then break it down by state. It conducted the analysis for Tariffs Hurt the Heartland, which includes a coalition of more than 150 business associations and the Farmers for Free Trade coalition.

Two states that hold early primaries in the 2020 presidential election, Nevada and New Hampshire, saw their exports of goods facing retaliatory tariffs drop by nearly twice the national average, Anthony said. Nevada exports integrated circuits and New Hampshire produces computer and electronics products.

Trump's trade policies have not been a key issue to date for Democrats seeking their party's nomination.

China's Vice Premier Liu He is slated to sign a Phase 1 trade deal at the White House on Jan. 15 at the White House, China's commerce ministry said on Thursday.

As part of that deal, the United States will halve 15 per cent tariffs imposed in September 2019 on $120 billion in Chinese goods, but 25 per cent tariffs on $250 billion in Chinese goods applied earlier will remain in place.

US exports of goods subject to retaliatory tariffs in China were 26 per cent lower in the 12 months ending November than in 2017, while exports of items not facing such tariffs were 10 per cent higher than 2017 levels, Anthony said.

Total US exports were higher than in 2017, but retaliatory tariffs slowed growth in 2018 and exports have declined in 2019, he said.

Trump imposed tariffs on steel and aluminum imports in February of 2018. US exports to countries that retaliated with tariffs of their own were 15 per cent below their 2017 levels in the 12 months ending November 2019, he said.

After Washington rolled back these tariffs for Mexico and Canada, the two countries eliminated retaliatory tariffs on US goods in May, but US exports of affected products have not rebounded.

"The expectation was that trade would start growing again, but that hasn't happened in the last six months," Anthony said. "It raises questions about all other exports that have declined. There's no guarantee that those sales will rebound if or when those retaliatory tariffs go away."

Source: business-standard.com - Jan 10, 2020

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Here Are the 5 Issues Set to Shape Sourcing in 2020—and Sustainability Is One of Them

Apparel sourcing in 2020 may look very different now that we've left the terrible teens behind.

The way data-analytics consultancy GlobalData sees it, global supply chains in the year ahead will need to find their eye-of-the-storm center among tariff threats and trade sanctions, the increasing need for speed (and smarts) and growing appeals for sustainable innovation.

At the same time, these challenges will come with opportunities to "rethink business models and explore new ways of working," particularly when it comes to digitalization and data, according to Leonie Barrie, apparel analyst at the London-based consultancy.

For Barrie, there are five key issues apparel companies need to look out for: global trade uncertainty, evolving sourcing strategies, machine thinking, next-level sustainability and fulfilling green promises.

Fashion businesses, for one, must learn to see the unpredictable trade landscape as the "new normal."

Rising trade barriers and geopolitical tensions—everything from the ongoing U.S.-China trade war to penalty tariffs on U.S. fashion imports from the European Union to the potential fallout from Brexit—will continue to stymie the best-laid plans of apparel companies, making it difficult to plan ahead in both the short and long term, Barrie said.

Several free-trade agreements, including the Regional Comprehensive and Economic Partnership (RCEP), the EU-Vietnam Free Trade Agreement (EVFTA) and the US-Mexico-Canada Free Trade Agreement (USMCA), will also play a "critical role" in shaping supply chains as they take effect.

To mitigate risk in the face of fluctuating policies, brands and retailers must "rethink and diversify" their sourcing strategies, including shifting away from China, which is currently responsible for roughly 32 percent of the world's clothing exports.

No one nation has the capacity to supplant China, she noted. Instead, the "next China" will be a "group of countries serving specific markets."

"China will continue to remain a force as 'made in China' becomes 'managed by China' and its domination of upstream services and technical know-how persists," Barrie predicted.

Fashion businesses that haven't digitized their supply chains will be at an even greater disadvantage in 2020.

"Digitalization and Big Data are the next frontiers in apparel and footwear supply chains, enabling companies to make smarter, faster and more effective decisions," Barrie said.

Leveraging the power of data can power improvements in speed, cost and customer satisfaction while delivering new insights into purchasing behavior, competitors' pricing practices and even next season's big trends.

Efforts at increasing sustainability, too, must climb up a notch, if not several notches, Barrie said. Key stakeholders and shareholders are "increasingly asking tougher questions" and scrutinizing global supply chains for potential risks.

"The emphasis on 'green, clean and recyclable' must impact product design, materials, sourcing practices, logistics, consumption and disposal of used clothing," she said. "[This], in turn, will require substantial financial investments and other resources."

Indeed, lip service will fail spectacularly, said Barrie, who counsels "action, not words" as consumers become savvier about greenwashing.

"Trust and transparency are no longer buzzwords," she said. "Consumers are demanding actions they understand and can relate to."

As such, pledges by brands, retailers and suppliers to reduce the environmental impact of their products "must gather pace" in 2020.

"The challenge is to ensure actions and efforts are impactful without being viewed as 'greenwashing,'" Barrie said. " In an interconnected world, where information is instantaneous, failure to meet consumer expectations could have an immediate–and disastrous–effect."

Source: sourcingjournal.com - Jan 09, 2020

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Turkey targets $190B in exports in 2020

Turkey is targeting $190 billion worth of exports in 2020, the head of the Turkish Exporters' Assembly (TİM) said Thursday.

Despite multiple hurdles, the country's exports reached an all-time high in 2019 as they crossed $180.46 billion, up 2.04% year-on-year, according to assembly data.

Imports dropped by 8.99% to reach $210.4 billion, while foreign trade deficit decreased by 44.9% year-on-year from $54.3 billion to $29.9 billion. Foreign trade made a record contribution of 4.7 points to the country's growth, the largest contribution seen in 18 years in Turkey.

In 2019, the export/import coverage ratio was 85.8% in 2019, up from 76.5% in 2018, she added.

The share of high-tech products in the country's overall exports is rising, Gülle told Anadolu Agency (AA). Turkey aims to increase the share of high-tech products in specialized free zones to 14% – the average in Organization for the Economic Cooperation and Development (OECD) countries.

According to current figures, exports this month rose 5% over January 2019, added Gülle.

RATE CUTS, MORE MEETINGS

Referring to interest rates, Gülle said, "Turkey should cut interest rates to the single-digit level for sustainability."

The Central Bank of the Republic of Turkey (CBRT) began aggressively lowering rates in July last year, after having raised the key rate to 24% in September 2018 in the face of rising inflation. It cut the main policy rate by 12% between July and December to 12%.

The CBRT also increased the number of policy meetings to 12 next year from eight in 2019. In the past, it held 12 meetings annually but reduced the number to eight in 2017.

Cutting interest rates and raising the number of meetings are both important steps, said Gülle.

Despite difficulties in international trade, it is important that Turkey's exports trend upward, he stressed. "I'm confident that we'll close out this year with a record in exports," he noted, adding that they are working toward this goal.

He stressed that while major world economies closed out 2019 in decline, it is extremely important for Turkey to reach 2% growth.

In 2019, the sales volume of the world's top 50 exporting countries contracted by 2.7%. Turkey, however, ranked seventh in the list of countries which saw the highest increase in exports.

Source: dailysabah.com - Jan 09, 2020

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Vietnam: Complying with origin rules critical for garment exports

To take advantage of free trade agreements and expand exports, meeting rules of origin is crucial for the garment and textile sector, industry insiders have said.

To take advantage of free trade agreements and expand exports, meeting rules of origin is crucial for the garment and textile sector, industry insiders have said.

Lower-than-expected export revenue last year showed the industry was facing problems in participating more deeply in the global value chain and expanding exports to niche markets.

Le Tien Truong, General Director of the Vietnam National Textile and Garment Group (Vinatex), said 2019 was a difficult year for the industry with export revenue of 39 billion USD, 1 billion USD lower than its target.

Despite many expectations for the industry due to the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) and the EU-Vietnam Free Trade Agreement (EVFTA), Truong said it was critical for the sector to make moves to comply with origin rules to enjoy the preferential tariffs in the trade deals.

Truong said Vietnam needed to invest in fabric production to meet origin requirements when exporting to CPTPP and EVFTA countries.

This would not be easy because Vietnam must compete in terms of designs, quality, prices and delivery time with other major fabric producers like China and India, Truong said.

He said investing in fabric production needed careful consideration in terms of production scale because Vietnam's garment industry uses less than 1 billion metres of woven and knitted fabric every year, or 18 percent of global exports.

If fabric production targeted only Vietnam, production scale would be too small while investing in large-scale production and competition with China and India must be taken into account, Truong said.

He said that Vietnamese garment firms should work with global giants to establish value chains and invest in production to meet their demands.

According to Nguyen Xuan Duong, Chairman of the Hung Yen Garment Corporation, at this time in previous years, his company had orders and contracts up until the end of the second quarter.

However, this year is different, Dương said, adding that many partners only sign short-term contracts. He said they seem to be more cautious and are watching for developments of the US – China trade war.

A report from the Ministry of Industry said many garment firms had only 80 percent of the order volume for 2020 as they did the same time last year.

Vu Duc Giang, President of the Vietnam Garment and Apparel Association, said Vietnam's garment and textile sector must speed up reforms with innovations in designs, management, fabric production and building brands.

Giang said that this year, the sector targeted export revenue of 42 billion USD, which would require firms to invest in raw material production to meet rules of origin in trade deals.

The association's statistics showed the garment and textile industry ran a trade surplus of 16.62 billion USD in 2019, up 2.25 billion USD compared to the previous year.

The Viet Tien Garment Joint Stock Corporation (VGG) has signed up with Luenthai and Newtech to establish the Viet Thai Tech fabric factory, which is expected to supply fabric for the garment and textile industry.

Giang said this project aims at proactively sourcing raw materials, shortening production and delivery time, as well as meeting strict quality requirements from customers in the garment industry.

The project has a total investment of 20 million USD, of which the first phase of the project is 12 million USD and the second is 8 million USD. It's expected to be inaugurated and go into operation on June 30 this year.

Giang, who is also Chairman of VGG, said the factory will contribute to solving the shortage of fabric resources which is now a big obstacle for the garment and textile industry of Vietnam.

Giang suggested that Viet Thai Tech should quickly set a target of factory deployment, investment in equipment and technology, so it can supply fabric for VGG and export markets by September this year.

The factory will be built according to US green standards and will be the first green standard fabric factory in Vietnam. It's expected to meet the fast-changing requirements of the global fashion industry.

Source: en.vietnamplus.vn- Jan 09, 2020

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Pakistan's garments exports increase to $7.98 billion: National Assembly told

Ministry of Commerce Thursday informed the National Assembly that as a result of Generalized Scheme of Preferences (GSP+), Pakistan's garments exports to European Union (EU) had increased from $6.87 billion in 2013 to $7.98 billion in 2018.

In a written in the National Assembly, the ministry told that under GSP+ Pakistan had duty free access in the EU market for garments and apparel and Pakistan's exports in garments and hosiery had increased by 92 percent.

It said the garment sector was one of the major sectors of the Pakistan's exports basket and Ministry of Commerce had always undertaken several steps to get market access for the Pakistani garments in international markets through trade diplomacy and trade promotion.

The ministry said in all bilateral arrangements under free and preferential trade agreements with other trading partners textile sector and garments figured prominently.

Some of the recent steps taken by the ministry for access of the Pakistani garments in the international market were delineated below.

In order to boost garments exports to China, the government had taken various steps. There was early implementation of the Phase-II of China-Pakistan Free Trade Agreement (CPFTA) which had been signed during visit of prime minister to China April, 2019 and implemented from January 1, 2020.

The phase II had offered favorable concessions to Pakistan which inter alia include immediate elimination of tariff on 313 tariff lines of Pakistan's prime exports which included 91 tariff lines of garments.

In an effort to persuade textile products sourcing from Pakistan to China, the ministry led a delegation of 35 leading enterprises of textile and leather to participate in Li & Fung Vendor summit held in June15-19 in Shanghai.

The event helped in establishing B2B linkages for Pakistani enterprises with their Chinese counterparts. Following that China National Textile and Apparel Council (CNTAC) a leading textile and garment association of China had shown keen interest in the joint ventures.

To showcase Pakistani products in Chinese market, Pakistan participated in 1st China international Import Exhibition (CIIE) held in November 2018 in Shanghai wherein large number of Pakistani enterprises including garment industry participated.

In addition to receiving concession on 232 tariff lines under Preferential Trade Agreement (PTA) with Indonesia, Pakistan had also gained unilateral market access on 20 top priority tariff lines at zero duty of these 20 tariff lines.

These 20 tariff lines constituted $ 4 billion of Pakistan's global exports and cover over $ 600 million of Indonesia's global imports. Concessions on these tariff lines had been come into effect from March 2019.

In order to boost garments exports to South-Korea, the ministry led business delegation of leading textile and leather enterprises to South-Korea and arranged Trade and Investment Conference in Seoul in August 2019.

The conference helped the Pakistani companies to build linkages with South-Korea counterparts.

TEXPO, 2019 which was the biggest government level exhibition specific for the textile sector recently took place in Lahore in which delegates from more than 50 countries participated.

Heimtextil, Frankfurt and Heimtextil Moscow were the big textile exhibitions that Pakistan participated in and was planned for future years as well. This not only promoted our industry but also paved way for future endeavours.

Gatex Pakistan was an international exhibition particularly for garment, textile machinery and accessories. The subject exhibition was scheduled to take place at Lahore Expo Centre from March 11-14, 2020.

Source: dailytimes.com.pk- Jan 09, 2020

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Bangladesh: PM urges textile sector to diversify products, expand market

Prime Minister Sheikh Hasina today urged the country's textile sector to diversify products and expand the market for boosting the export income.

"I think it's very much necessary to diversify textile products by keeping consistency with the demand of the world market," she said while inaugurating the 'National Textile Day 2019 and Multipurpose Textile Fair' at Bangabandhu International Conference Centre (BICC) in Dhaka.

The premier simultaneously asked the related entrepreneurs to add value to their existing products and "explore new markets to raise the country's export income".

Sheikh Hasina said fashions, designs and colours of apparel items in global market were constantly changing requiring diversification of the products in line with buyers' demands.

She said Bangladesh should have an own initiative to search new markets and know the demand of fashion and design of apparel items in the markets.

Sheikh Hasina also asked the public and private sectors to work hand in hand to increase the demand of Bangladeshi products in the world market.
The premier said though Bangladesh holds the second position in textile export in the world, the reality is that the country's share in world market was only 6.40 percent.

"The garment manufacturers and other concerned will have to work hard to increase the demand of our products in the world market … they've to formulate short, medium and long term plans for achieving this," she said, assuring that her government will extend all sorts of cooperation to this.

Noting that Bangladesh sells garment items at very low prices, the prime minister urged the businessmen to take initiative so that international buyers increase the prices of RMG products at least to some extent.

Sheikh Hasina said: "As a competition prevails among the apparel manufacturers in the world market, I cannot say whether our exporters bargain or not with buyers. But I think they should do it and tell the buyers and concerned countries."

She went on saying: "If the buyers raise the price of every garment item by at least one dollar, we could develop this sector further."

In this connection, the premier said she always raises the issue of paying more prices of Bangladeshi garments when she visits the countries, importing Bangladeshi RMG products.

Pointing out that the textile sector is playing a great role in Bangladesh's economy, the prime minister said her government has formulated the Textile Policy, 2017 and the

Textile Act, 2018 to fulfill the internal demand of cloths and enhance export.

"Our government has strengthened this sector by providing necessary legal support and incentive and presently, four sectors of textile are getting maximum four percent incentive," she said.

To accelerate RMG export, the government has declared one percent incentive for rest of the textile sectors from this year, she said, adding additional Taka 2,825 crore has been sanctioned in the current budget.

The prime minister said the Textile Directorate has been upgraded to the Textile Department and it has been vested with the duty of Sponsoring Authority of textile sector by undertaking multidimensional planning.

Sheikh Hasina said “one stop service” has been introduced in the Textile Department to ensure faster and quicker services, while all kinds of registrations have been executed by online.

As a result, she said, the entrepreneurs of textiles and garments sectors are getting their required services easily and quickly.

The prime minister said it is necessary to create efficient manpower in textile sector and the Ministry of Textile and Jute is working on it.

“Simultaneously, non-government and private educational institutions are also contributing to skilled manpower in textile sector,” she said.

The prime minister said: “My government has brought down the poverty rate to 20.5 percent and our target is to cut down the rate further … We want to establish Bangladesh as a developed and prosperous country and I have firm belief that we could achieve the goal.”

“For this, we’ve to work hard for the development in all fields including industrialization, trade and commerce,” she added.

Sheikh Hasina, the elder daughter of Bangabandhu, said the countdown to the observance of Father of the Nation Bangabandhu Sheikh Mujibur Rahman’s birth centenary will begin tomorrow.

“We’ll celebrate Mujib Barsho in 2020-2021 and the golden jubilee of independence next year and we want to build a hunger and poverty-free Sonar Bangladesh by this time,” the premier said.

The Ministry of Textiles and Jute arranged the function with Textiles and Jute Minister Golam Dastagir Gazi in the chair.

The theme of the day is “globalization of the textiles sector—sustainable development”.

Though the National Textiles Day was observed for the first time in the country on December 4 last, its main programme was arranged today.

Commerce Minister Tipu Munshi, State Minister for Labour and Employment Monnujan Sufian, Chairman of the Parliamentary Standing Committee on Textiles and Jute ministry Mirza Azam and Secretary of the ministry Lokman Hossain Mian also spoke on the occasion.

At the function, the prime minister handed over awards to nine organizations and business enterprises for their outstanding contributions to the development of the textile sector.

Later, she opened the "Multipurpose Textile Fair" by cutting a ribbon and visited its different stalls.

Source: thedailystar.net- Jan 09, 2020

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Pakistan: Export: Textile industry identifies major hindrances

Textile industry has termed the withdrawal of zero rating status of export-oriented sectors, high energy cost and cotton shortage as major hindrances in increasing the country's exports.

A delegation of All Pakistan Textile Mills Association met Prime Minister Imran Khan and apprised him of the major issues being faced by the industry as well as hurdles in enhancing exports.

The delegation gave a presentation, a copy of which is available with Business Recorder and apprised Prime Minister that the production cycle requires 185 days to complete.

The Federal Board of Revenue (FBR) collects sales tax on value added items at each stage but the refunds are only available after export and this is how the FBR is overstating its revenue collection by Rs22 billion per month which is actually refundable.

Textile industry said FBR collected Rs108 billion in last five months till November 2019 of the ongoing financial year 2019-20 out of which it only paid Rs15 billion in refunds putting industry in hot waters as that had triggered a huge liquidity crisis. Owing to this fact, the industry is unable to meet export orders and cannot expand its operations to create exports surplus. The industry pleaded for restoration of zero rating status for the exports-oriented sectors.

APTMA further raised the issue of charging quarterly adjustments of over Rs2 per unit more from textile industry other than the already agreed 7.5 cents per unit in the meeting. APTMA also asked for continuation of the energy package for another five years. Under an energy package the export industry is being extended power tariff of 7.5 cents per unit and gas tariff at $6.5 per MMBTU.

Textile industry stated textile exports will not increase as the country faces a cotton deficit of five million bales. Decrease in cotton acreage, per hectare yield and imprudent government policies have taken a heavy toll on cotton production.

Over the last five years cotton production has decreased from 13.86 million bales to 10.84 million bales, witnessing a decrease of 22pc which has caused a loss of almost two percent of total GDP. In fiscal year 2020, crop size is expected to be around 8.5 million bales only and yield is expected to decline from over 800 kg/hec to 550 kg/hec.

The textile industry will have to import five million bales to meet the requirements in the ongoing financial year. Cotton should not be subjected to any sort of import duties around the year, said APTMA.

APTMA has suggested to the government to amend the Seed Act and formulate new rules and asked for legislating the Plant Breeder's Act and its effective implementation. The APTMA also stressed for innovation to acquire advanced seed R&D technology.

According to APTMA adequate finance and credit availability is vital for growth and enhancement of any industry. Pakistani textile industry has been facing financial constraints over the last decade which has led to fall in exports, decreased industrial production, and low investment in the sector. Over the last one year, the interest rate has also increased from 5.75 percent to 13.25 percent, further restraining investment in the sector, along with increased working capital requirement owing to recent devaluation of currency.

APTMA also suggested that public-private and international collaboration is required to acquire advanced seed R&D technology for quality seed development. It also asked for such seed technology that effectively controls weeds and insects. APTMA also said the cotton cess collected from textile industry should be allocated to the development of cotton seed.

Source: brecorder.com- Jan 10, 2020

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Bangladesh slows down fashion exports: 7.7% drop in five months

The export of ready-made garments from the Asian country fell 7.7%, 13 billion dollars in the five months to November, according to the Export Promotion Bureau.

Bangladesh's ready-made garments exports slow down. The Asian country cut its fashion exports by 7.7% in the last five months, according to data from the Export Promotion Bureau.

Concretely, the country exported fashion goods worth 13 billion dollars in its period. Foreign sales of knitwear dropped 6.7%, while woven garments fell 8.7% to 6.3 billion dollars in comparison to last year at the same period.

The Asian country is the world's second-largest clothing exporter, moreover, the textile and the apparel sector weighs heavily on the county's economy. More than 6% of world apparel exports originate from Bangladesh.

Presently, the European Union is the largest customer of the fashion industry in Bangladesh as it represents 50% of the country's fashion imports. However, Bangladesh is expected to slow its fashion exports to Europe in the upcoming four years.

In parallel, the Asian country is expected to enter the list of less developed regions in 2024, which will entail endangering the tariff benefits established with the European Union, Canada and Japan, among others.

Source: themds.com- Jan 09, 2020

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Bangladesh: Form taskforce to devise export turnaround

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) on Wednesday called for a special taskforce for quick implementation of different decisions in the sector.

The garment sector has been going through a tough time due to spiralling production costs, price fall of apparel items, a drop in garment shipments and weak infrastructure. So, the government needs to form a special taskforce to address different challenges so that the sector can rebound soon, the BGMEA said in a letter sent to Ahmad Kaikaus, principal secretary to the prime minister.

The leaders of the apparel makers' platform handed over the letter to Kaikaus during a meeting with him at his office. They also urged the government to include commerce, labour and foreign ministries along with the BGMEA and the Bangladesh Knitwear Manufacturers and Exporters Association in the taskforce.

The garment sector's trade body wants Kaikaus to head the taskforce, according to the letter. It will mainly resolve different short- and long-term outstanding issues of the sector, like establishment of coordination among different ministries and trade bodies and do future planning for the sake of the sector's development.

The taskforce will also work on drafting a policy to promote manufacturing of non-cotton textile as the demand for clothing made from manmade fibre is on the rise.

But Bangladesh has been failing to avail a bigger piece of the global $150 billion-market for manmade garment items as the country does not produce such yarns and garment in large volumes.

Bangladesh is still very focused on cotton-based garment although the demand for such apparel is on the wane worldwide due to changes in lifestyle and fashion of Western consumers.

The special taskforce will also resolve any dispute regarding the minimum wage of workers, skills development of workers and assessing whether the garment industry has surplus capacity or not. It will also work for preparation of a database on production capacity and find out ways to adjust overproduction in the sector.

The taskforce will work towards: assessing the good and bad bank borrowers and their definitions, sector diversification, creation of innovative and fresh entrepreneurs in the garment sector; and further development of the garment sector.

The BGMEA also requested the presence of Prime Minister Sheikh Hasina at the inauguration of the manufacturing of the world's largest T-shirt on the occasion of the centennial celebration of the International Labour Organisation.

The apparel trade body also expressed their interest to disseminate information worldwide about the Mujib Coat, which is now preserved at the Bangabandhu Museum. The Mujib Coat is a vest favoured by Bangabandhu Sheikh Mujibur Rahman.

The BGMEA suggested the government to preserve the intellectual property rights and geographical indication rights of the Mujib Coat as the nation is going to celebrate the Mujib Borsho this year.

Usually, the source tax related decision is taken on the first day of July every year. But last year the decision was published in October, so the apparel exporters demanded retrospective implementation of the 0.25 percent source tax.

In the letter, the garment makers also demanded at least Tk 5 devaluation of the local currency against the dollar for 25 percent of their exports to give them a leg up in global apparel trade.

The BGMEA also demanded the government write off some Tk 649.74 crore of 133 sick garment factories as they are not in operation now.

In the first five months of fiscal 2019-20, Bangladesh's garment exports declined 7.74 percent year-on-year, whereas its two competing countries, Vietnam and Pakistan, saw their shipments jump 5.56 percent and 4.76 percent respectively, the BGMEA said in the letter.

Source: thedailystar.net- Jan 10, 2020

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Pakistan: Panic buying on cotton market

The cotton prices on Thursday moved higher on panic buying from spinners amid fears of an expected short crop.

The Karachi Cotton Association also increased its spot rates by Rs50 to Rs8,950 per maund. Cotton experts said the phutti arrivals have decreased substantially and there is an acute shortage of lint in the market.

The increase in dollar value against the rupee is forcing spinners to procure the commodity actively.

The country has been unable to achieve the earlier target set by the agriculture ministry at 15 million bales which was revised down to 10.2m bales by the Cotton Crop Assessment Committee. Currently there is a shortfall estimated 40-45 per cent.

Market sources said ginners are reluctant to enter into deals on the prices being offered by mills. On the other hand, the middlemen have stopped selling cotton to ginners. Farmers have also stopped the picking process.

The following deals were reported to have changed hands on ready counter: 2,000 bales, station Rahim Yar Khan, at Rs9,300; 800 bales, Sadiqabad, at Rs9,325; 600 bales, Khanpur, at Rs9,100; 1,000 bales, Ahmedpur East, at Rs8,850; 800 bales, Bahawalpur, at Rs8,500; 1,200 bales, Lodhran, at Rs8,775; 200 bales, Faqirwali, at Rs8,500; 600 bales, Layyah, at Rs8,400; 400 bales, Rajanpur, at Rs8,700; and 200 bales, Ghotki, at Rs9,200.

Source: dawn.com- Jan 10, 2020

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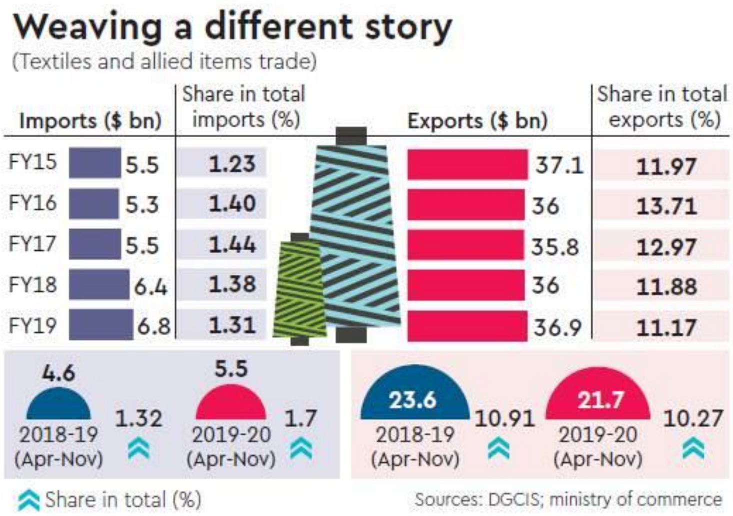
NATIONAL NEWS

Unusual Trend: Textile imports zoom as exports falter

India's textile and garment trade is witnessing an unusual trend: imports are rising at a brisk pace even as exports are falling. While the export slump is ascribed to a host of factors, including global demand slump and the continuing inability of Indian exporters to have the desired competitive edge in key markets, the double whammy that demonetisation and goods and services tax (GST) dealt to the unorganised sector, the backbone of the domestic textile and clothing industry, appears to have necessitated increased imports. Weavers, fabric processors, texturisers and garment units in key textile hubs have borne the brunt of the twin policy steps taken in quick succession, in what impacted domestic supplies significantly.



Textiles and garment imports, as percentage of such exports, surged from just about 13% in FY14 to a record 25% in the first eight months of this fiscal. Similarly, at 1.7%, the share of textiles and garments in the country's overall imports in the April-November period was the highest in recent memory.

On the other hand, the labour-intensive sector's share in the overall merchandise exports has been sliding consistently in recent years, having dropped from as much as 13.7% in FY16 to just 10.27% this fiscal (up to November), the lowest in at least a decade.

In the April-November period, while textile and garment imports surged 18.6% y-o-y, albeit at a relatively low base, to $5.5 billion (despite a contraction in overall merchandise imports), exports plunged by 7.9% to $21.7 billion, showed the DGCIS data. Importantly, imports of cotton fabrics and made-ups jumped as much as 17.3% y-o-y to $396 million, even though India has been a major player of cotton-based textiles and garments.

This suggests a Rs 6,600-crore package for garments exporters, announced in 2016, hasn't helped much in turning the sector around, although industry executives argue the fall in outbound shipments would have been even sharper without the succour.

The decline also underscores why the timely release of benefits worth thousands of crores, which is held up, to garment and made-up exporters under two major schemes – the Merchandise Export from India Scheme (MEIS) and the Rebate of State and Central Taxes & Levies (RoSCTL) · by the government are critical, industry executives argue.

While the MEIS gains have been held up since August, benefits under the RoSCTL, meant for compensating garment/made-up exporters for various state and Central government imposts, have never been extended since its introduction in March, exporters had told FE earlier.

This has exacerbated a liquidity squeeze for the exporters, who typically factor in such incentives while firming up deals – and hurt their ability to honour fresh contracts on time ahead of Christmas, the most critical season for western apparel buyers, Ajay Sahai, director general and chief executive at exporters' body FIEO, had told FE.

Noted textiles sector expert DK Nair pitched for urgent government intervention to improve the "inherent competitiveness" of domestic manufacturing for exports to flourish, instead of just extending dole-outs. "Labour laws have to be made more flexible.

Affordable and ample credit should be made available to even small players. Infrastructure reforms must be taken up on an urgent basis. Unless all these things are done, our export competitiveness will remain under severe pressure," Nair said.

Already, India has failed to take advantage of a slowdown in China's textile and garment exports as also persisting global concerns about violations of labour norms in Bangladesh in recent years, while Vietnam has emerged as the largest beneficiary. Even Bangladesh has left India far behind in garment exports.

Source: financialexpress.com - Jan 10, 2020

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Vidarbha Industries Association demands continuation of benefits under existing Textile Policy 2018-23

The industrial delegation of VIA under the leadership of Prashant Mohota, Chairman of Energy Forum of VIA held a meeting with Dr Madhvi Khode, Commissioner of Textile, Government of Maharashtra at Nagpur.

In the meeting, the delegation presented a representation on issues relating to electrical power subsidy. VIA members came to know through newspaper article that electrical power subsidy under the existing Textile Policy is proposed to be amended.

According to proposed subsidy rates are restricted to 20,000 units per month for powerloom, knitting, hosiery, garment processing, textile industry (excluding spinning mill) and 5 lakh units per month for co-operative and private spinning mills.

For more consumption consumer needs to pay at prevailing rates of MSEDCL. The delegation explained to Commissioner of Textile that the present business environment is extremely tough and survival of the textile industry is at stake.

Textile industry is presently reeling under severe liquidity crunch. This liquidity issue is further aggravated by delayed / non-receipt of the subsidies accrued under the Textile Policy.

Proposal to withdraw the benefits of Textile Policy 2018-23 would lead to irreversible adverse repercussions and business continuity of textile industry, itself will be in doubt. Further, the industrial fraternity requested for continuation of the benefits stipulated under the existing Textile Policy.

Textile Commissioner Dr Madhvi Khode assured that Government is pro textile. She said, “We will discuss this issue with the Ministry of Finance and Textile at the earliest”. VIA members Nitin Shrivastava, Vineet Mohota, Jayant Joshi, Mayank Agrawal, Kiran Katare, Nirmal Kumar Jain, Ramesh Randher, Ajay Kumar Saxena, Hemant Mitkar, and others were prominently present.

Source: thehitavada.com - Jan 09, 2020

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FTAs with EU, Australia, Canada to help boost textile exports: AEPC

Free trade agreements with Australia, Canada, and the European Union will help boost the country's textile exports, an apparel export promotion body said on Thursday.

Free trade agreements with Australia, Canada, and the European Union will help boost the country's textile exports, an apparel export promotion body said on Thursday.

Apparel Export Promotion Council (AEPC) Chairman A Sakthivel said the government should pursue free trade agreements (FTAs) with these countries as they hold huge potential for India's exports.

"India should do comprehensive FTAs with Australia, Canada, the UK and the EU. Once we get these pacts done, the sector would not require hand holding from the government," he said.

Sakthivel said currently Indian textile exporters have to pay about 10 per cent customs duty in these countries.

"FTAs will help in significantly reducing or eliminating these duties, which will help exporters to increase their shipments," he told PTI.

Currently, the European Union (EU) accounts for 45 per cent of India's total textile exports. On the other hand, Canada and Australia account for only 2-3 per cent, he added.

The chairman said India should also look at such pacts with the UK after Brexit.

India is already negotiating agreements with both Australia and Canada, but the talks are going at a slow pace.

Similarly, negotiations with the EU are stalled since May 2013. Both the sides are working to resume the talks soon.

Under an FTA, two or more trading partners significantly reduce or eliminate customs duties on maximum number of goods traded between them. They also liberalise norms to increase trade in services and boost investments.

Further, Sakthivel urged the government to announce support measures for the sector in the forthcoming Budget to increase exports as it faces certain challenges at liquidity front.

India's apparel exports sector is facing tough competition from Bangladesh, Vietnam and Cambodia.

The country's apparel exports stand at USD 17 billion, while Bangladesh, Vietnam and Cambodia ship apparel worth USD 38 billion, USD 27 billion and USD 12 billion, respectively.

The textile sector employs about 360 lakh people directly and 180 lakh indirectly.

Source: economictimes.com - Jan 09, 2020

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Exporters approach court over cess on export incentives, get interim relief

The high court granted interim relief to petitioners against any "coercive" measures by the authorities

Exporters have moved the Gujarat high court over imposition of cess on customs duty paid through scrip-based incentives provided to them.

The high court granted iterim relief to petitioners against any "coercive" measures by the authorities.

When asked what will come in these measures, Abhishek Rastogi, counsel for exporters and partner at Khaitan & Co., said these would include forcible imposition of cess on Merchandise Exports from India Scheme (MEIS)

An instant special civil application under article 226 of the constitution has been filed to challenge the recovery of education cess and social welfare surcharge from the petitioners at the time of imports where customs duty is paid through MEIS.

MEIS is a scrip-based incentives provided to exporters under the foreign trade policy 2015-20. These scrips could be used for payment of customs and other related duties.

"As the cesses are imposed on the aggregate customs duty, ideally they are not payable as anything multiplied by zero is zero," Rastogi said.

The scheme is being replaced by the WTO-compliant Remission of Duties or Taxes on Export Product (RoDTEP) scheme. MEIS was to expire from this month, but was later extended till the end of this financial year.

Source: business-standard.com- Jan 09, 2020

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Surge in FDI inflows anticipated in India: Care Ratings

A further surge in foreign direct investment (FDI) is anticipated in India as the country continues to remain one of the favoured destinations for investment by foreign enterprises, according to Care Ratings.

In the second half of fiscal 2019-20, the Indian rating agency has anticipated FDI equity inflows to the tune of around $25 billion.

The monthly trend of FDI inflow, however, doesn't show a very positive movement. FDI in India rose by 15 per cent (in $ terms) in the first half of this fiscal: the maximum FDI was received in June ($7,282 million), which drastically fell in the following months to a mere $2,741 million in September, according to the Department for Promotion of Industry and Industrial Trade (DPIIT).

In the first half, Maharashtra, Delhi, Karnataka and Gujarat accounted for more than 70 per cent of the total FDI equity inflows. Delhi had the highest 27 per cent share in the total FDI equity inflows and these inflows were 27 per cent higher on-year, according to the report.

Services sector, including financial, banking, insurance, non-financial business, outsourcing, research and development, courier, and technology testing and analysis, continued to receive the highest FDI equity inflows aggregating $4.5 billion in the first half of this fiscal.

Source: fibre2fashion.com- Jan 09, 2020

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South Korea's Mumuso eyes aggressive expansion in India

South Korean lifestyle brand Mumuso recently announced its plans to aggressively expand across India. It is also looking for potential franchises to set up new stores.

The brand launched more than 30 stores in the last one year—more than two stores per month. It has also expanded its categories and plans to enter food and beverage (F&B) section soon.

Mumuso India director Manoj Agarwal said the company’s expansion strategy is to set up outlets all over India along with entering the e-commerce market as online shopping has seen a big boost in India in recent years, according to a news agency report.

Mumuso India offers accessories, household stationery, bags, children products and small electronics and lifestyle items.

Source: fibre2fashion.com- Jan 09, 2020

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