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April 10, 2018

USD 64.92 EUR 79.92 | GBP 91.73 | JPY 0.61

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	Rs./Candy	USD Cent/lb
19386	40550	79.60
Domestic Futures Price (Ex. Gin), April		
Rs./Bale	Rs./Candy	USD Cent/lb
20660	43216	84.83
International Futures Price		
NY ICE USD Cents/lb (May 2018)		82.91
ZCE Cotton: Yuan/MT (Jan 2018)		14,795
ZCE Cotton: USD Cents/lb		90.44
Cotlook A Index - Physical		92.05
<p>Cotton guide: Cotton managed to trade positive on Monday. The May expiring at ICE ended at 82.91 cents whereas July at 82.76 per pound. Since the May contract is approaching its 1st notice period on 24th of April the open interests are switching over to July contract. As of latest record the total OI in May is around 86K contract while in July its around 88K contracts. Now the focus would be on July future contract.</p> <p>On the trading front around 60+K contracts were traded on Monday's trading session. On an average the last 10-day's trading volumes have been higher than the previous 10-days trading volume with additions in open interest amid surge in price suggest the broad trend continues to be positive for cotton.</p>		

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Today we have the USDA Monthly Supply-Demand Report at 9:30 PM IST and below are our expectations in the market. However, the actual shall give a fresh outlook on cotton. We are emphasizing on the ending stock data in this month report.

The USDA will probably cut its estimate for domestic stockpiles by July 31 as exports advance. Export sale is around 15.30 million bales higher than last year same period.

World consumption continues to support prices and both the May and July contracts should continue to trade in the 80c-85c" range.

December futures "will be very sensitive to precipitation outlook for the Texas Plains" with the region mired in a drought.

On the technical front we expect it to trade in the range of 82.20 to 83.90 cents per pound for the day. However, since an important data is scheduled this evening either side of the aforementioned price range could distort the direction of cotton in the near term however the underlying tones is positive.

Coming onto domestic front, the spot price of Shankar-6 is quoted around Rs. 41K per candy ex-gin which translates into 80.50 cents per pound. The daily arrivals have further shrunk down to 123K bales include 35K, 31K and 29K in Gujarat, Maharastra and AP/Telengana. On the futures front the active April contract has posted a close at Rs. 20,660 marginal change from previous close.

The trading volume was low on Monday. The future market has moved into a confusing state because one side the spot has narrowed down while the ICE future has advanced a tad. Overall we expect ICE future to trade in the range of Rs. 20500 to Rs. 20780 per bale.

Compiled By Kotak Commodities Research Desk , contact us : <mailto:research@kotakcommodities.com>, Source: Reuters, MCX, Market source

NEWS CLIPPINGS

INTERNATIONAL NEWS	
No	Topics
1	China and Vietnam Grow US Import Market Share as Exports Also Rise
2	World Economies
3	USA: High recovery, lift and hold are the three pillars of Artistic Denim Mills' (ADM) new high-performance denim, HyperStretch
4	China's Alibaba created whopping 36.8 million jobs in 2017, says study
5	Tough competition make China a tough market for global brands
6	Egypt to raise cotton production to meet high export orders
7	Turkey suspends GST for Nepali yarn
8	Spotlight: U.S. protectionist measures undermine Africa's industrialization efforts
9	Nepal PM lays foundation stone for garment processing unit
10	Bangladesh: Time to adopt a visionary approach
11	Pakistan working on 5-yr strategic trade policy framework
12	Pakistan: Fuel costs burn out textile export revenue
13	Dubai textile firm plans garment unit in Kenya's Naivasha
NATIONAL NEWS	
1	Cotton exports seen billowing to 70 lakh bales on China demand
2	India and the EU get close to revive talks on proposed Free Trade Agreement
3	The future of manufacturing - How technology-enabled manufacturing is changing the market landscape
4	Cotton acreage estimate down by 15% as farmers shift to lucrative soyabean
5	Maritime trade goes all electronic
6	Tariff hike issue: India wants amicable settlement with US
7	Container handling by major ports rises 8% to 9.135 m TEUs in FY18
8	Indian ministry clears 51 Chhattisgarh handloom projects

INTERNATIONAL NEWS

China and Vietnam Grow US Import Market Share as Exports Also Rise

While trade policy certainly impacts sourcing strategy, it often seems secondary to actual industry experience and practice—and which country's production is most reliable for serving a brand's needs.

Amid the turmoil over U.S.-China trade relations, Matthew Shay, president and CEO of the National Retail Federation, said, "This entire process creates uncertainty and makes it difficult for retail companies that must rely on complicated global supply chains."

In the lead up to the latest tariff threats, importers seemed to be relying on the tried and true. China's market share of apparel and textile imports to the U.S. increased to 36.63% in February from 36.44% the previous month. China's industry shipments to the U.S. increased 4.18% in February to reach \$39.27 billion worth of goods.

Vietnam, the No. 2 supplier of apparel and textiles to the U.S., also grew its market share to 11.53% from 11.5% month-to-month, despite some predictions that when the U.S. pulled out of the Trans Pacific Partnership, Vietnam's exports to the U.S. would fall off. Vietnam's industry imports to the U.S., primarily apparel, increased 9.01% in February to \$12.36 billion.

Looking further at Top 10 suppliers, India's market share shrunk a bit in the month to 6.92% from 6.96%, as imports increased 3.12% to \$7.42 billion. The U.S. is challenging India's export regime as including subsidies not allowed under World Trade Organization rules. India's had slashed those "draw back duties" in recent months, possibly to be more in line with WTO rules, and experts estimated that could have increased FOB costs.

Bangladesh's imports to the U.S. struggled in the month, with its market share declining to 4.93% to from 4.97% and the value of its shipments falling 2.84% to \$5.29 billion.

Along other Asian suppliers, Indonesia's market share fell to 4.44% from 4.47% and its imports to the U.S. dropped 1.72% to \$4.76 billion.

Pakistan saw its market share dip to 2.59% from 2.61% in the month and its shipments rise 1.67% to \$2.78 billion, while Cambodia's market share ticked up to 2.15% from 2.14% and its shipments rise 6.79% to \$2.3 billion.

Among the Top 10 suppliers from the Americas, Mexico's market share dipped to 4.4% from 4.53% in February as its imports increased 7.93% to \$4.83 billion, while Honduras' market share fell to 2.34% from 2.36% on a 2.21% decline in imports to \$2.5 billion, and El Salvador's market share slipped to 1.83% from 1.84% in the month.

Elsewhere among secondary suppliers, winners included Turkey, which saw its imports to the U.S. climb 16.53% to \$1.55 billion worth of goods; Italy, which posted a, 8.78% increase in shipments to \$1.8 billion, and Egypt, shipping 7.27% more goods worth \$905.99 million.

Those second tier suppliers that were losers in the month were South Korea, with imports falling 3.15% to \$866.1 million; Thailand, which imports falling 2.26% to \$1 billion, and Guatemala, with shipments declining 2 percent to \$1.36 billion.

There is concern among the hundreds of millions of dollars in tariff threats flying across the Pacific between the U.S. and China, that the ongoing efforts to re-establish U.S. manufacturing would be hurt.

Rick Helfenbein, president and CEO of the American Apparel & Textile Association, said, "We are concerned that the list includes tariffs on machinery used in our domestic manufacturing process. This would directly raise costs on domestic manufacturers and impact our ability to grow Made in USA."

With the call for a more balanced trade between the U.S. and the world seemingly at the heart of tariff threats, U.S. exports of apparel and textiles rose 3.47% in February to \$22.83 million.

The bulk of these exports went to countries in the Americas that are either part of the North American Free Trade Agreement (NAFTA) or the Central American Free Trade Agreement (CAFTA).

Mexico is the top destination of these shipments, with an increase of 3.2% to \$6.07 million worth of goods, and Canada is second, with a gain of 3.89% to \$5.39 million in shipments. The U.S., Canada and Mexico are currently renegotiating NAFTA.

The CAFTA countries among the top suppliers all increased their exports coming in from the U.S. in the month. Honduras brought in 3.78%, or \$1.5 million more goods, the Dominican Republic 5.44% or \$561,213 worth of merchandise or materials, El Salvador 25.42% to \$468,607 in goods and Nicaragua 19.67%, or \$348,919 in shipments.

Source: sourcingjournalonline.com- Apr 09, 2018

[HOME](#)

World Economies

Russia, the largest country in the world, has an upper-middle income mixed economy and is one of the world's leading producers of oil and natural gas, and a top exporter of metals such as steel and primary aluminum.

Russia contains over 30 per cent of the world's natural resources. The World Bank estimates the total value of its natural resources at \$75 trillion. Income from vast natural resources, above all oil and gas, helped it overcome the economic collapse of 1998.

However, Russia remains a predominantly statist economy with a high concentration of wealth in officials' hands.

After a two-year recession, GDP growth reversed in 2017 bolstered by higher oil prices and supportive monetary policies amid lower inflation. Government support for import substitution also increased in an effort to diversify the economy away from extractive industries.

According to the preliminary estimates, Russia's GDP expanded by 1.5pc in 2017 compared with a 0.2pc contraction in 2016, the first-year of growth since 2014.

Russia's economy is seen growing faster this year and the next because of improving consumer demand.

According to the World Bank in an environment of relatively high oil prices, macro-stabilisation and improved business and consumer confidence, economic growth will continue with GDP increasing by 1.7pc in 2018 and 1.8pc in 2019, because of higher exports and stronger domestic demand.

Russia's fiscal picture has become brighter due to higher oil prices, strong demand for the country's bonds and a change in fiscal rules, which should give the government room to adjust the budget.

In 2018, a shift to budget surplus, and a return to growth of the National Wealth Fund and the total national debt compared with GDP is very much expected.

The 2018 budget plans to increase social spending, made up by reducing spending in other fields. The goal is to reduce the deficit whilst boosting demand. The budget surplus can be one per cent of GDP in 2018.

Starting 2019, the budget is no longer expected to curb GDP growth. Structural changes and improvements in efficiency of budget expenditures will be able to trigger economic growth.

The government preference for sound, conservative financial management, reflected in a marked improvement of Russia's external financial position in 2017 with low government debt of 12pc of GDP. The debt stocks of some Russian regions, however, have grown rapidly in recent years relative to their limited regional tax base.

The country's poverty rate, which had fallen from 29pc in 2000 to 10.7pc in 2012, inched back up to 13.5pc in 2016. The World Bank has recently reported that less than half of the population, 46.3pc, was secure from sinking into poverty, but about 10pc lower than in 2014.

According to a study by Credit Suisse bank, the richest 10pc of Russians control 77pc of the wealth. The government vowed to halve poverty figures in six-years and boost growth to four pc, promising investment into infrastructure, health and housing.

Turkey

Turkey, an emerging market economy and one of the world's newly industrialised countries having earned a place in the Group consisting of the twenty most important economies in the world, is classified by the World Bank as an upper-middle income country in per-capita GDP terms.

Located both in Western Asia and South-eastern Europe, it is closely related to the European economy and sensitive to interest rate hikes of the US Federal Reserve. It is also a major player in the Middle East, with one of the region's largest economies and a population of roughly 80 million.

Its economic significance is partially attributed to the country's growth. While countries around the world struggled to grow, let alone maintain a balanced economy, Turkey has experienced a comparatively high GDP growth annually.

The largely free-market economy is driven by its industry and, increasingly, service sectors, although its traditional agriculture sector still accounts for about 25pc of employment. The automotive, petrochemical, and electronics industries have risen in importance and surpassed the traditional textiles and clothing sectors within Turkey's export mix.

The IMF noted that following a slowdown in growth to 3.2pc in 2016, the economy experienced a strong upturn in 2017 with growth accelerating to an estimated 6.9pc, driven by strong fiscal stimulus and an export market recovery.

According to the Turkish Statistical Institute, the GDP grew by 7.4pc in 2017, the highest rate in the past four years and well above the government's five per cent target.

Following a rapid recent recovery, the IMF warns that a positive output gap, double digit inflation and unemployment rates well above target, and a wider current account deficit are a sign of overheating for the Turkish economy and suggests the need for further monetary and fiscal tightening.

At the current pace of economic growth, Turkey is expected to post a large current account deficit while its fiscal deficit — which is increasingly becoming the main source of growth — is set to widen further over the next two to three years.

Various forecasts suggest that Turkish economic growth in 2018 and 2019 could range between 3.8pc to 5.1pc. While the IMF warned the global positive momentum may eventually slowdown in the medium-term, it has revised 2018 and 2019 growth forecast to 4.3pc. Despite a modest slowdown in growth, Turkey will still be one of the fastest growing EM economies in 2018.

The authorities eased fiscal policy in 2017 with lower taxes on durable goods and property. As GDP ratio, the fiscal deficit widened to 1.5pc in 2017 from 1.3pc in 2016 and is targeted to rise to 1.9pc in 2018-2019.

Economists see budget deficit rising towards three per cent of GDP in 2018 and 2019 as the authorities are expected to boost spending and maintain growth-friendly tax policy.

Source: dawn.com- Apr 09, 2018

[HOME](#)

USA: High recovery, lift and hold are the three pillars of Artistic Denim Mills' (ADM) new high-performance denim, HyperStretch.

The Karachi, Pakistan-based mill will introduce an expanded collection of its fabric innovation at Kingpins Amsterdam, April 18-19. Designed to represent the “next generation of stretch denim,” the tightly woven fabric is a combination of fiber innovation, fit expertise and quality.

The concept for the fabric was to recreate the athleisure market’s level of comfort and performance in a jean.

“Our goal was to create high stretch, shape retention properties, with just enough synthetic fiber to get those performance characteristics,” Jack Mathews, ADM director of sales and marketing, said.

HyperStretch is a blend of cotton and cotton blend warp yarn and special spun polyester—a combination of fibers that Mathews said are uncommonly found in traditional denim.

The denim consists of 77 percent cotton, 21 percent polyester and 2 percent Lycra. The result is a product that offers 45 percent stretch and 90 percent recovery, and one that gives a firm hold to instantly lift and sculpt the wearer.

One of the distinguishing factors of HyperStretch is its one-of-a-kind hand feel, Mathews added. While the fabric has the appearance of authentic denim, it feels like an athleisure product.

“The only way to describe it is soft and dense. Soft is from the unique cotton yarn and the denseness is from the special polyester that we use. That combination makes the fabric unique,” Mathews explained, adding that the fabric’s construction is what makes it lift and hold.

HyperStretch, it turns out, is becoming one of the mill’s biggest programs. ADM introduced the fabrication last year without much fanfare, but based on the first successful tests with customers, it’s rolling out a broader collection in new colors, shades and constructions.

The expanded line features four indigos spanning light to dark, and comprised of both pure indigo and dark sulfur tops for a good range of washes. It also includes options for garment dyes, traditional black, black over-dye and grays.

“It isn’t your everyday run-of-the-mill stretch denim,” Mathews added. “We set out to produce a product that exceeds customer expectations in fit, comfort and performance.”

Source: sourcingjournalonline.com - Apr 09, 2018

[HOME](#)

China's Alibaba created whopping 36.8 million jobs in 2017, says study

Chinese e-commerce giant Alibaba, headed by one China's richest men Jack Ma, created over 36.8 million jobs last year via its expansive retail ecosystem, a study report has said.

The company's various e-commerce platforms like Tmall and Taobao, which covers over 500 million consumers, offered about 14.05 million jobs to online retailers in 2017, a report from the Renmin University of China said.

Apparel and textiles, daily necessities and home appliances were the top three retail items that offered the most jobs, the report showed.

The booming online retail service also helped boost demand for professionals in upstream and downstream sectors like R&D, design, manufacturing and logistics, totalling about 22.76 million jobs, state-run Xinhua news agency reported.

Alibaba saw its revenue grow 56 per cent year-on-year in the fourth quarter of last year.

As the e-commerce market evolves, professionals who can make mid- and long-term development plans, are capable of reforming business models and combining digital technologies with offline retail skills, are in high demand, the report said.

Source: financialexpress.com- Apr 09 2018

[HOME](#)

Tough competition make China a tough market for global brands

While China presents a huge opportunity for global brands with its huge consumer base, yet there have been instances where Western brands have failed to lure Chinese consumers. The recent case is that of Marks & Spencer which has exited online retail in the country.

The company recently announced it would end online sales in China through Tmall store. Shaun Rein, MD, China Market Research feels one of M&S' problems is they tried to sell to a middle-class consumer by creating a middle-class brand positioning.

Most brands which take this approach in China, fail. That's where Marks & Spencer failed. Also, sizes for Asian body types were not considered. At Marks & Spencer's brick & mortar stores in Beijing and Shanghai, Chinese consumers could go right next door to H&M to shop for the youthful and trendy styles that attract millennials.

Another issue with Marks & Spencer is how Chinese shoppers perceive value. As Rein points out, Chinese consumer behaviour is defined by 'CMR hour glass shopping model', meaning they shop both at the top and the bottom of the spending scale. Anything that's not great value it doesn't give them importance, it doesn't give them status, it's not an aspiration is something that Chinese don't want unless it's dirt cheap.

Similarly, Britain's Asos.com too faced issues. Asos left China in 2016 the same year Marks & Spencer shut all its China retail stores after losing out to Taobao, Alibaba's Amazon-like e-commerce platform. Asos sold low-priced garments, but with limited products available in the China market, it just could not compete. Don Zhao, Co-founder and executive director, Azoya says in the West, Asos is mainly aimed at middle-class millennials.

But in China, the fashion shopping behaviour from this group is for cost-value products, which typically are under 300 yuan. Asos was also slow at getting in new products in comparison with the UK market and used European and American models, whose body shapes are different from Chinese, making it difficult for consumers to compare and make decisions. None of these factors suited the needs of Chinese shoppers, who actively seek latest fashion products and aren't willing to wait.

In China, you have to act fast to adapt to consumers' needs. While brands can use e-commerce as an alternative to brick & mortar stores to reach more consumers, there is not a one-size-fits-all solution for every brand.

Success Mantra: Market understanding and research

Localisation, marketing to cross-border Chinese shoppers, launching on multiple channels, and supply chain optimisation are some of the major issues that companies face.

Besides, brands also have to keep local competition in mind. And to avoid any operational issues later, brands looking to start retail stores in China first need to first conduct a thorough research.

According to Zhao, if a retailer is thinking about expanding to China, they need to spend more time and research on what they are looking for and have very clear expectations.

While selling goods through Tmall and JD.com might seem like obvious solutions, they are not necessarily the right option for everyone.

Zhao says categories that have a low re-purchase rate, no functional features, too many Chinese local alternatives, low market-entry thresholds and unreasonable pricing over 30 per cent higher than overseas markets will definitely be challenged by Chinese competitors.

Foreign luggage brands are being challenged by Xiaomi's Youpin and NetEase's Yanxuan alternatives, who share the same supply chain resources with international big brands.

Source: fashionatingworld.com- Apr 09 2018

[HOME](#)

Egypt to raise cotton production to meet high export orders

After a disastrous year for Egypt's cotton industry in 2016, the country's agriculture ministry has initiated measures to boost the cotton sector by improving and raising production of long-staple and medium-length cotton.

It also plans to increase the area under cotton cultivation to 224,208 acres to meet export market demand.

Despite the increase in production, Egyptian cotton exporters say production cannot meet the high export demand, according to a report in an Egyptian newspaper.

The government needs to ensure that cotton production in 2019 reaches at least 2 million quintals so that it can meet the global demand, Nabil al-Sanrissi, head of the Egyptian Cotton Exporters Association, reportedly told a local news outlet.

According to Adel Abdul Azim, head of the country's Cotton Improvement Fund, cotton growing areas would increase to 415,200 acres by 2019.

Statistics show the value of Egyptian cotton exports fell by 4 per cent between 2012 and 2016.

Source: fibre2fashion.com- Apr 09, 2018

[HOME](#)

Turkey suspends GST for Nepali yarn

India and Turkey are major export destinations for Nepali yarn. Along with rising demand for yarn, Nepali factories have started utilising their capacity towards upper level and have doubled their capacity utilisation from 35 or 40 per cent to 70 or 75 per cent.

Currently there are four spinning mills in Nepal that import raw materials from various countries and they are also trying to create backward linkages to maximise the benefits of yarn export.

Around 10,000 people are directly employed in yarn production at present.

The four yarn producers in the country jointly produce almost 40,000 metric tons of yarn a year and production could go up if the factories operate at optimum capacity.

Earlier factories were largely running below capacity as the country was facing a crippling power shortage and labor unrest.

Turkey has suspended the generalised system of preferences on export of yarn from Nepal since January on the ground that Chinese yarn is being circumvented to Turkey via Nepal.

Nepali exporters who were largely focused on the Indian market are increasingly attracted toward the Turkish market as the latter fetches better prices. The country now fears about the possible adverse impact on jobs and exports of the country due to Turkey's decision to suspend the GSP facility.

Source: fashionatingworld.com- Apr 09, 2018

[HOME](#)

Spotlight: U.S. protectionist measures undermine Africa's industrialization efforts

An intent by U.S. President Donald Trump to suspend duty-free treatment for Rwandan goods in the apparel sector, following Rwanda's plan to phase out importation of used clothes, has angered Africans who feel the move holds back Africa's industrial dream through intimidation.

Analysts in east African countries, including Rwanda, Kenya and Uganda, see the U.S. move as disregarding the dignity of Africans who have every right to reject hand-me-downs. They also defend Rwanda's position to promote local manufacturing and textile sector.

Frederick Golooba-Mutebi, a Rwanda-based researcher and writer on politics and public affairs, said Rwanda and East Africa's decision to raise tariffs on second-hand clothing imports was imperative to protect the local textile and apparel industries and promote local manufacturing.

"African countries will not develop and improve quality of life for their people solely on the basis of exporting raw materials. The decision is, therefore, a noble ambition that is entirely justified," Mutebi said.

Terming the U.S. protectionist measure as a very selfish move, Ken Ogembo, an economic lecturer at Kenya-based Kenyatta University, told Xinhua that the genesis of the U.S. duty-free trade arrangement under the African Growth and Opportunity Act (AGOA) for African products was to help Africa grow its trade with the United States.

"Therefore, using it as a punishment for African countries' domestic trade decision goes against the initial aim of this initiative," Ogembo said.

According to him, the importation of second-hand clothes and shoes was one of the main contributors to the collapse of the textile industry in most African countries since the early 1990s.

"Today, those countries are trying to revive their textile industries because of the huge potential they hold in creating wealth and employment. So, if the U.S. really cares, it should not force African countries to import what will slow their economic growth," Ogembo said.

Uganda-based economist, Prof. Augustus Nuwagaba, also noted that the U.S. withdrawing AGOA benefits for Rwanda is not fair because AGOA was aimed at opening American markets. "Now closing this AGOA would be a policy reversal inconsistent with AGOA principals," Nuwagaba said.

East African nations agreed in 2016 to impose a ban on imports of used clothing and leather products by 2019. However, Kenya, Tanzania and Uganda have since succumbed to pressure, choosing the economic benefits from the AGOA, and therefore escaping the U.S. exclusion from AGOA benefits.

Amid the pressure, the Rwandan government did not backtrack on the ban. It issued a statement last week, saying "the withdrawal of AGOA benefits is at the discretion of the United States."

"Rwanda has set a good example of staying put in its ban of second-hand clothes as it brings out new assertiveness of the African countries," Ogembo said.

AFRICA JITTERS AT U.S. MOVE ON RWANDA

Even though Trump has offered a 60-day period to effectuate the suspension of AGOA benefits for Rwanda, analysts warn if the U.S. goes ahead and suspends Rwanda from participating in AGOA, this will be a loaded message to other African countries.

"While many may not ban the same in solidarity with Rwanda, they are likely to start preparing themselves to avoid such a risk in future...If the U.S. acts on Rwanda, it will be a negative score in terms of its diplomatic relations with Africa," Ogembo said.

Africa may also start taking a hard line stance against the U.S. by opting to deepen trade with other countries which do not portray that kind of domination, he said.

LOOKING INWARD TO DRIVE GROWTH

Prof. Augustus Nuwagaba said that Africa's development can never only be propelled from the outside. "There is need to develop local brand. All countries that have transformed have adopted the neo-classical economic concept of development is initiated from within," he said.

Uganda-based economist Fred Muhumuza has urged African countries to address internal weaknesses, rather than blame global reasons for Africa's sluggish development. Take the local textile sector, for instance, it is still burdened by inefficiencies which need to be tackled so as to produce products at affordable prices for ordinary consumers, according to him.

Ogembo suggested that one way for Africa to prepare for U.S. protectionist measures is to fast-track the implementation of the just signed African Continental Free Trade Area (AfCFTA).

"This is a major opportunity that Africa has created to trade with itself and therefore reduce dependency on foreign trade on initiatives like AGOA. So, it is up to Africa to fast-track the actualization," he said.

The UN Economic Commission for Africa estimates that the AfCFTA has the potential both to boost intra-African trade by 53.2 percent by eliminating import duties, and to double this trade if non-tariff barriers are also reduced.

Source: xinhuanet.com- Apr 08, 2018

[HOME](#)

Nepal PM lays foundation stone for garment processing unit

Prime minister KP Sharma Oli recently laid the foundation stone of a garment processing factory in Auraha of Jitpur Simara sub-metropolis-4 in south Nepal's Bara district .

The processing centre, to be spread over 61.45 million square feet, is being established under the special economic zone authority programme of the Government of Nepal with an investment of around 10 billion Nepali rupees, according to local newspaper reports.

Source: fibre2fashion.com- Apr 09, 2018

[HOME](#)

Bangladesh: Time to adopt a visionary approach

There has been a healthy debate as to whether Bangladesh should open up Foreign Direct Investment (FDI) in the apparel sector where, until now, the majority of investors are local entrepreneurs, with the exception of some foreign companies who have invested in garment businesses inside the Export Processing Zones (EPZs).

Before analysing the arguments in this regard, we need to explore why and when FDI is necessary and also consider the advantages and disadvantages of adopting this practice.

Many will find it surprising that the fledgling apparel industry of Bangladesh flourished in the hands of the first-generation businessmen who got the opportunity to start their business ventures only after the independence of Bangladesh in 1971. They didn't have much knowledge of the business per se. Even Noorul Quader, the man largely credited with the revolution of the apparel business in Bangladesh, was a bureaucrat with sound knowledge on how to keep government services functioning smoothly; he was by no means an expert in the apparel field.

The spirit of innovative entrepreneurship combined with a diligent workforce are the dominant forces behind the development of the country's apparel industry. Local entrepreneurs have put their efforts and made huge investment to expand the sector both vertically and horizontally, making Bangladesh the second largest readymade garment exporter in the world.

However, Bangladesh's share in the global apparel market is still relatively insignificant—only 6.36 percent—whereas China's share is 36.37 percent. In addition, most of our apparel items are cotton-based while 65 percent of global apparel is non-cotton.

The majority of Bangladesh's apparel export items are concentrated in five basic product categories—trousers, t-shirts, sweaters, shirts, and jackets. We have to consider manufacturing more non-cotton apparel items where Bangladesh has huge potential. So investment in non-cotton textile is a highly feasible proposal as we have a captive market and a skilled workforce. It will, however, be necessary to continue to find methods to reduce our production lead time.

If we continue to keep our export products limited to a small number of categories, the growth in our industry runs the risk of stagnating or may even take a negative turn. Moreover, with the increasing socioeconomic development of Bangladesh, the living standards of people are improving also. In line with improvements in living standards, it is inevitable that wages will also gradually increase. To manage the demand for increased wages, the industry needs to start focusing on the production of higher valued apparel items. Upgrading of product in order to achieve a higher purchase price is an approach that needs to be adopted in order for our apparel industry to sustain its growth.

For value-added products, we need factories equipped with the most advanced machinery and staff with sound technical knowledge, for which we need huge investment. Value-added items like blazers, jackets, swimwear, lingerie, sportswear, uniforms, raincoats, and fishing wear require manmade fibres (MMF) including viscose, rayon, spandex, polyester and so on. But the MMF production capacity of our existing textile mills is still insignificant. MMF production is complex and constantly requires sophisticated machinery and regular research and development (R&D).

Presently, we lack expertise in this area. However, knowledge and guidance can be gained by allowing foreign companies to set up the necessary textile mills in Bangladesh. The benefits of this approach are two-fold: our readymade garment factories will be able to procure the necessary materials from these mills, and lead times will be greatly reduced as our dependency on importing materials from China and India will be significantly reduced.

In addition, it will facilitate knowledge transfer as local people, recruited in these fabric mills, will get the opportunity to work with, and learn from, experts in their field—the same way we had developed our garment industry in the 1980's with technical assistance from South Korea. So, foreign direct investment in the apparel and textile industry offers the prospect of good returns.

However, we must remember several things while considering FDI in the apparel industry. If we want to attract companies that produce higher valued items, we need to refine our regulatory system in such a way that the majority of investors will find manufacturing high-end products in Bangladesh beneficial, as too many restrictions may discourage the investors.

Additionally, if we want to obtain FDI in a particular type of apparel item, we may have to consider setting up an apparel business park with facilities such as fabric and accessories suppliers, testing labs, consultants, etc.—all conducive to manufacturing that particular product type. Here, we need to remember that it is not possible to fully dictate what a manufacturer is going to produce. A winter jacket factory will produce basic items for about 5-6 months a year during the summer delivery period. Likewise, a swimwear manufacturer may produce lightweight basic blouses during winter delivery period.

An investment-friendly policy and environment is required to attract FDI in Bangladesh. The investment regime will need to be credible and predictable while it should be ensured that there are no frequent changes in policies and regulations. Facilities like infrastructure, energy supply, double tax deduction, etc., should be provided by the government to bring in investment.

Tax incentives for machinery import are very important for the apparel industry as automated machines will improve productivity and, at the same time, the quality of the products.

When a factory increases its investment, it will feel empowered to take orders of higher value products to cope with its higher overheads. A rule can be enforced to allow the import of only new machines or machines less than an agreed age, so that FDI will not attract companies wishing to dump outmoded machinery in Bangladesh.

It should be ensured that foreign investors can bring in their own managers and supervisors. However, the government must be strict to ensure that license will be issued only if a company complies with all the FDI rules.

New factories should install all necessary equipment to control pollution and any negative environmental effects. The rising production cost in China and their shifting to higher-value goods and services has created opportunities for other countries to take the shifting orders.

But we have to be very cautious, as there are reports that some apparel manufacturers in China, whose standards were not up to the mark and were notorious for polluting the environment, are now trying to scatter their production plants in different parts of the world. So, it will be necessary for the concerned departments of our government to strictly monitor the issue.

Adaptability to the changing trends is a must to sustain growth in our apparel industry in the long run. We must keep pace with the demands of the time.

Our industry has now arrived at a juncture where we need to move up the value ladder by shifting from basic to higher-end products to sustain our growth. Foreign investment, therefore, will be key to opening the window to a brighter future for our apparel industry.

Source: thedailystar.net- Apr 08, 2018

[HOME](#)

Pakistan working on 5-yr strategic trade policy framework

Pakistan's export growth is being hindered by high cost of business and issues of market access and exchange rate, but the government has been working on a five-year strategic trade policy framework to resolve these problems, commerce secretary Younus Dagha said recently at the launch of the International Apparel Federation (IAF) membership in Lahore.

The local currency has already been devalued by around 10 per cent to maintain the exchange rate so that exports could be enhanced, he said.

The extension offered by the European Union for the generalised system of preferences (GSP) plus benefit has helped increase exports of value-added textile products by up to 90 per cent, leading to a growth of 13 per cent between July last year to February this year, a Pakistani newspaper report quoted him as saying.

Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA) senior vice chairperson Sheikh Luqman Amin said though the government had given assurance to clear all pending claims, more and more refund claims are piling up.

Source: fibre2fashion.com- Apr 09, 2018

[HOME](#)

Pakistan: Fuel costs burn out textile export revenue

Nishat group's flag ship company is the largest composite textile unit in the country.

The conglomerate has half a dozen other group companies listed on the Pakistan Stock Exchange (PSX) which include MCB Bank, Adamjee Insurance, DG Khan Cement Company, Nishat (Chunian) Ltd, Nishat Power, Lalpir Power and Pakgen Power.

But with a balance sheet footing of over Rs110 billion and total equity at Rs79bn NML towers above the rest.

NML has 236,496 spindles and 795 Toyota air jet looms. The company also maintains a textile dyeing and processing unit; two stitching units for home textile, two stitching units for garments and power generation facilities with a capacity of 130MW.

According to the unconsolidated, condensed interim balance sheet at Dec 31, 2017, NML had a paid-up capital of Rs3.5bn, while its reserves stood at Rs75bn.

At the last count on June 30, 2017, the company directors, CEO, their spouses and minor children held 25.22pc equity in NML, followed by Modarabas and Mutual Funds with 12.33pc, associated companies, undertakings and related parties with 9.01pc and Insurance companies with 5.68pc of the company stock.

The share price movement in NML is closely watched by investors on the stock exchange. Last Thursday's closing price of NML stock of par value Rs10 stood at Rs163.

Most analysts concede that unlike several other shares, the price spiral in NML's scrip has less to do with speculators and punters and more to do with long-term buying by the fundamental value hunters.

Core earnings of the company that accrue from home textile garments (value added segment) contribute around 50pc to the company's profit before tax.

"Higher product prices combined with the rupee devaluation is expected to provide breathing space for the textile dynamics of the company, going forward, although higher fuel prices may somewhat dampen margin accretion" analyst at Inter-market Securities say.

However, higher product prices and increased contribution by denim — following the commissioning of the new facility that doubled the existing garments capacity in fourth-quarter 2016 — is a good trigger to higher profitability.

A textile producer with a mid-sized plant reckoned that export oriented companies were expected to be the major beneficiaries of the recent rupee devaluation. Textile companies may see a significant increase in revenue as

a result of the currency devaluation and offer of rebate at 3-7pc on textile exports.

Like most other companies in various sectors of the stock market, NML is in the throes of expansion and diversification.

Mian Umer Mansha, the company CEO, in the director's report appended to the accounts for the quarter ended Dec 31, 2017 says: "The Company regularly invests to upgrade its power plants for cheap energy sources to meet the increasing demand of its textile manufacturing facilities.

"A 10 tonne coal fired boiler installed at manufacturing facility of the company at Bhikhi was commissioned in July 2017. The new captive power plant to cater for spinning production facilities located at Faisalabad Industrial Estate was commissioned in Dec 2017".

Investors are excited over the company's latest initiative of a venture with Hyundai Motors. For textile companies the government's export package and expectations of incentives in the upcoming budget 2018-19 are major reasons that could boost earnings.

On the flip side, escalating cotton prices and higher furnace oil costs could eat into gross margins as happened in the first half of the year ended March 31, 2017.

As fuel and power accounts for 10pc of the total cost of sales and NML still derives approximately 40-50pc of power requirements from furnace oil, its price increase has a direct bearing on the company's bottom line. In their budget proposals to the government, textile manufacturers have urged that the cost of doing business for the sector be decreased, primarily through reduced electricity tariff, to compete with regional players.

Other proposals include timely release of pending refunds; continuation of drawback duties and reduction or elimination of custom duties on import of synthetic yarn and Polyester Stable Fibre (PSF).

The recently announced financial results of NML for the 2QFY18 showed unconsolidated earnings of the company at Rs1.9bn which took the first-half financial year 2018 profit after tax at Rs2.7bn.

The growth in 1HFY18 earnings emanated from sales revenue rise by 6pc resulting from upsurge in textile exports and increase of 5pc in other income.

The company's total export for the year 2017 stood at a massive Rs37bn. Home textiles being the major revenue contributor, the segment chipped in sales growth of 15pc in 1HFY18, mainly due to volumetric growth as product prices remained depressed.

Overall, the textile sector witnessed a collective increase in revenue by 10pc for the 2QFY18 but the benefit did not travel down to the bottom line with profitability remaining at Rs7bn due mainly to increase in finance costs.

Source: dawn.com- Apr 09, 2018

[HOME](#)

Dubai textile firm plans garment unit in Kenya's Naivasha

Dubai-based textile company United Aryan plans to build a garment factory that could employ up to 10,000 workers at Olkaria geothermal fields in Naivasha town of Kenya's Nakuru county to take advantage of lower electricity costs.

The factory, likely to come up in the next two years, will manufacture apparel like trousers, knit tops, fleeces, shirts and robes.

The factory, which is likely to offer indirect employment to around 40,000 Kenyans, will manufacture products for sale in Kenya, the United States and Europe, according to company founder-chairman Pankaj Bedi.

United Aryan currently operates at Baba Dogo's Balaji Export Processing Zone in Ruaraka, where it manufactures apparels for export, an African business daily reported.

Covering 20 acres, the factory will have six units with the capacity to produce and wash more than 100,000 pieces of attire daily.

Source: fibre2fashion.com- Apr 10, 2018

[HOME](#)

NATIONAL NEWS

Cotton exports seen billowing to 70 lakh bales on China demand

On ICE, Indian product ruling lower than global price

Cotton exports are expected to revive with China placing big orders with Indian traders.

Moreover, Indian cotton prices are 10 cents cheaper at 80 cents per pound compared to the global price on the ICE.

Atul S Ganatra, President, Cotton Association of India (CAI), said exports will touch 70 lakh bales (lb) as the country has already shipped out 55 lb till March-end and has 10 lb committed orders which will be executed by May-end.

Of the overall exports, China has bought 6 lb so far and is likely to look to India as it is planning to levy 25 per cent duty on imports from the US, he added. China has almost exhausted its cotton inventory and will be in the market to import the fibre and India has a good chance especially with the new duty on imports from the US, said Ganatra.

However, he said the acreage in Maharashtra and Telangana will reduce sharply as the farmers have suffered huge losses this year due to lower price and the pink bollworm attack reduced the yield sharply.

Most of the farmers are planning to shift to soyabean, he said.

The association has reduced cotton output estimate in March to 360 lb against 362 lb estimated in February. Last year the output was 338 lb. Mill consumption is expected to drop to 324 lb (330 lb), while exports may increase to 65 lb (60 lb). With overall supply expected to touch 410 lb, the closing stock by the season end is expected to be higher at 27 lb (22 lb).

Kavita Gupta, Textile Commissioner, said the Centre has been encouraging farmers to grow soyabean as an inter-crop to hedge against possible fall in prices or if there is a pest attack.

The CICR has also introduced new long staple cotton variety which is robust and also pest-resistant, she said.

The Cotton Advisory Board will meet soon this month to come out with production estimates, she said.

Further, she said the Textile Commission has introduced a reporting format for the entire value chain of cotton starting with ginneries, millers, traders to file returns on their stock holding on a quarterly basis.

Source: thehindubusinessline.com- Apr 09, 2018

[HOME](#)

India and the EU get close to revive talks on proposed Free Trade Agreement

At a moment in history, where US “trade war” is targeting China and protectionism is on the rise, there’s one country that has the potential to gain momentum on the stage of international trade: India. New Delhi has indeed the potential to write a totally new chapter of its history of trade with the West, as it is preparing to accelerate talks on a Free trade pact with the European Union.

Senior officials from the two fronts are meeting in Brussels this week to try and revive the negotiations, which have been stalled for long. Substantial difference and open questions remain, but it looks like Brussels and the Asian giant are closer than even before.

Background

The EU and India are currently officially committed “to further increase their bilateral trade and investment” through the Free Trade Agreement negotiations that were launched in 2007. Since June 2007, both the sides have completed 16 rounds of talks and five stock-taking meetings on the proposed pact, officially dubbed as Bilateral Trade and Investment Agreement (BTIA). The negotiations for the pact have been held up since May 2013, hanging on some substantial gaps on crucial issues such as intellectual property rights, duty cut in automobile and spirits, and liberal visa regime.

Re-launch of negotiations

Last month, when a European Investment Banking delegation signed a historic loan to support solar investment in India, it became clear that the conversations between the EU and the Asian country were likely to revamp soon. French President Emmanuel Macron's presence in New Delhi, when he co-chaired the first edition of the International Solar Alliance summit with Indian Prime Minister Narendra Modi at the beginning of March, has also raised hopes for the revival of negotiations on a free trade pact between India and Brussels. He and Mr. Modi indeed openly expressed their support to increase bilateral cooperation and to "timely relaunching" of negotiations on an India-EU free trade agreement.

At the end of last month then Indian Commerce and Industry Minister Suresh Prabhu indicated that negotiations on long-stalled free trade pact between India and the European Union could "resume soon". "We have started working on India-EU FTA (free trade agreement) again. We have invited them and are looking at it," the minister said at an event on March 26, a couple of weeks after Mr. Macron's visit.

12 April meeting

Minister Prabhu's words then assumed significance as, just a few days later, senior officials of India and EU announced they will meet in Brussels this week. In the April 12 meeting, India and the EU are purportedly expected to deliberate upon the long-stalled negotiations on the proposed trade pact, and to try and iron out differences. Which is something the two front have been chasing for long.

Key points

Discussions between Brussels and New Delhi are currently focused on key outstanding issues that include improved market access for some goods and services, government procurement, geographical indications, sound investment protection rules, and sustainable development. Brussels formally recognizes that India has embarked on a process of economic reform and progressive integration with the global economy, but a final agreement with the Asian giant is still pretty far.

In general, the EU considers India's trade regime and regulatory environment still very restrictive. Besides demanding significant duty cuts in automobiles, the EU also wants India's import duties on wines and spirits and dairy products substantially reduced, and a strong intellectual property regime. European banks are also wary of India's restrictive rules on priority sector lending and obligation on financial inclusion.

On the other hand, India is asking to be granted data secure nation status by the EU, which is something difficult at the time being, as India is among the nations not considered as data secure by the Brussels. The matter is particularly important for all those Indian IT companies currently wanting market access, and for the prohibitive costs of compliance with the existing data protection laws the Asian country currently faces. Also, India claims there are still many barriers to movement of professionals including rules on work permits, wage parity conditions, visa formalities and non-recognition of professional qualifications.

Size of the game

The potential of the opportunity is huge. The total value of EU-India trade stood at €77.5 billion in 2015. The EU is currently India's largest trading partner, accounting for 13% of India's overall trade, ahead of China (9.6%) and the United States (8.5%).

India is the EU's 9th largest partner, (2.2% of EU's overall trade with the world), after South Korea, 2.5%, and ahead of Canada, 1.9%). with the value of EU exports to India amounting to €38.1 billion in 2015.

The value of EU exports to India grew from €24.2 billion in 2006 to €37.8 billion in 2016, with engineering goods, gems and jewellery, other manufactured goods and chemicals ranking at the top.

The value of EU imports from India also increased from €22.6 billion in 2006 to €39.3 billion in 2016, with at the top textiles and clothing, chemicals and engineering goods.

Source: europeansting.com- Apr 10, 2018

[HOME](#)

The future of manufacturing - How technology-enabled manufacturing is changing the market landscape

Technological advances in manufacturing have resulted in three industrial revolutions, hugely benefiting customers through new, meaningful and quality products, while improving efficiencies and profitability of manufacturing companies.

We are now in the midst of the fourth industrial revolution, which is driven by advances in computing, connectivity, robotics and Artificial Intelligence. It is in this context that we shall explore the shifts that are taking place in customers, operations and people.

Customers: Manufacturers are transforming to provide experiences rather than products or services. Additive manufacturing is allowing manufacturers to supply individually customised products when wanted, where wanted. Customers can be involved in the design of products.

Operations: The Industrial Internet of Things (IIoT) is becoming increasingly feasible due to the halving of sensor costs supported by a similar drop in networking and data processing costs. Event-based models, built based on real-time data on multiple parameters collected from sensors, can predict failure in equipment and provide early warning. Better control and optimisation of manufacturing processes ensure lower costs through better energy efficiencies and yields. Management can take informed decisions because of IT systems that are able to analyse Big Data, draw insights and relay these insights visually. While availability and productivity improve, costs are optimised.

People: Wearables can monitor health and fatigue levels of shop-floor personnel, improve scheduling of tasks and ensure right allocation of skilled labour. Smart helmets can detect possible hazards and safety risks, and prevent accidents. Augmented reality (AR) and virtual reality (VR) can help build skills and capabilities on the shop-floor, and provide inputs in real time. Robots are assisting humans by taking away the tedium of menial repetitive tasks as well as working in adverse environments.

The challenges to tech-enabled manufacturing: While these advances are exciting and enhance the competitiveness of the manufacturing sector, there are key challenges that can come in the way.

* Technology enablement is seen as a devourer of jobs. Robots are seen as replacement of people and improvement in manufacturing processes as a means of making people redundant.

* Manufacturing organisations are developing technology-enabled solutions to improve efficiencies and solve problems. While this is commendable, many of these are point solutions and do not allow organisations to harness the full potential.

* Technology enablement is advancing at a tremendous rate. New ideas and apps are being developed by start-ups, forums, research organisations and universities. It is important for manufacturers to keep abreast of developments and adopt new technologies to stay competitive.

So, what can organisations do to stay competitive?

* Build the right mindset and skills: New roles are emerging, such as data scientist, to provide insights to decision makers or automation engineers to automate shop-floors. Robots, in many cases, only assist and complement human effort, and don't completely replace it. It is important, therefore, to re-skill people and help them fit into new roles. Organisations can create 'innovation labs', a means for people to explore new technologies, ideate and implement ideas.

* Formulate a strategy for technology enablement: It is important for organisations to look at businesses holistically and develop a strategy in line with business goals and strategy. There is no set methodology today for technology enablement, but any technology enablement has to take the organisation closer to its long-term goals.

* Build an ecosystem of technology providers: Manufacturing organisations need not reinvent the proverbial wheel, but can work closely with specialist technology enablement. Organisations can create a 'technology sourcing cell', which can continuously keep track of advancements that are relevant and build partnerships to deploy these technologies.

The technology enablement revolution in manufacturing has just begun. While the impact is already visible, the best is yet to come.

Source: financialexpress.com- Apr 10, 2018

[HOME](#)

Cotton acreage estimate down by 15% as farmers shift to lucrative soyabean

The area under cotton acreage is likely to decrease by around 15% with farmers shifting towards soyabean in the hope of better returns and after the Pink Bollworm infestation in Maharashtra and Telangana that damaged the crop reducing farmer incomes.

The drop in cotton planting is likely to see a rise in soybean planting after farmers received good rates during the ongoing season and a rise in import duties, Cotton Association of India (CAI) president Atul Ganatra said on Monday.

“The Kapas sowing is expected to reduce by 10-12% in Maharashtra and Telangana due to the Pink Bollworm attack. The area under cotton could fall to 108 lakh hectares in the 2018/19 marketing season that starts at the beginning of October, down from 122.6 lakh hectares in the current year, he estimated.

On the other hand, soyabean prices have jumped by about Rs 1,000 per quintal in the last few months from Rs 28,000 per quintal to Rs 3,800 per quintal. Ganatra was speaking at the Cotton Meet on ‘Challenges Facing Cotton Trade’ on Monday.

Textile Commissioner Kavita Gupta said that the shift in area under cotton may not be significant. “There may not be much decline in total production as area under cotton in other states may compensate for any decline in area in pink boll worm affected states,” she said.

The Commissioner suggested that Indian textile industry should strive to become world class on the lines of Egypt.

Pasha Patel, chairman, State Agriculture Price Commission (SAPC) pointed out that if soybean prices rose, farmers would shift to soybean and there would be no takers for cotton.

Earlier, he had stated that last year the area under soybean in Maharashtra was 39 lakh hectares and area under cotton was 26 lakh hectares.

“There was no MSP for cotton. This season, the area under cotton in Maharashtra has gone up to 42 lakh hectares while area under soybean has dropped to 36 lakh hectares. This season, farmers are seeing cotton planting as a risk.

On the other hand, soybean is a sturdy crop and even if the planting doubles, the crushing capacity is available in the country,” he pointed out. India imports 70% of its vegetable oil needs and produces only 30% which means there is huge scope for growth, he said. Soyabean prices are likely to remain supported in the short term as production of Argentina has declined from 550 lakh tonnes to 400 lakh tonnes.

Meanwhile, Ganatra said that the country has signed contracts to export 200,000 bales of cotton to China after Beijing last week sought to impose tariffs on cotton supplies from the United States. India is expected to export 70 lakh bales (each of 170 kg) of the fibre in 2017/18 against 58 lakh bales shipped in the 2016/17 season, he said.

Source: financialexpress.com- Apr 09, 2018

[HOME](#)

Maritime trade goes all electronic

E-filing made mandatory for the trade across major ports to speed up approvals

The government has made the use of e-Invoices, e-Payments and e-Delivery orders mandatory across the maritime trade as it seeks to push digitisation of trade processes to improve the ease of doing business.

Stakeholders across major ports (owned by the Central government) and terminals therein, private ports, private terminals, container freight stations (CFS) and inland container depots (ICD) have been directed to use e-Invoices, e-Payments and e-Delivery orders, according to an order issued by the Shipping Ministry, with effect from April 2.

The government has also directed stakeholders to use the Port Community System (PCS), a centralised web-based message exchange platform for the Indian maritime community run by the Indian Ports Association (IPA), to exchange the documents.

PCS is linked to the Indian Customs Electronic Commerce/Electronic Data Interchange Gateway or ICEGATE, a portal that provides e-filing services to trade and cargo carriers and other clients of the Customs Department, enabling faster clearance.

e-Invoice, e-Payment and e-Delivery Order features were added in the PCS over the past year.

Ministry order

“On a review of the use of these functionalities in PCS by various stakeholders, it is seen that many stakeholders are yet to use these features. In order to improve the flow of sea trade among PCS and for the benefit of all stakeholders concerned, it is essential that all stakeholders across the maritime trade flow use these features. Wherever the link is broken, manual processes are resorted to resulting in increase in dwell time of cargo,” the Shipping Ministry order said.

“In view of the above, it has now been decided that the use of e-Invoice, e-Payment and e-Delivery order, across the entire maritime trade through PCS shall be made mandatory for all stakeholders across all major ports, all terminals within the major ports, private ports, private terminals and CFS/ICD,” it added.

“This will improve the turn-around time of shipments,” says Anand Dikshit, Commercial Director at freight forwarding firm Clearship Forwarders Pvt Ltd. “We can get shipments out in a couple of hours. Earlier, these documents had to be physically transferred to the point of delivery, entailing delays.”

Source: thehindubusinessline.com- Apr 10, 2018

[HOME](#)

Tariff hike issue: India wants amicable settlement with US

India-US Trade Policy Forum meeting today to discuss issue

India is in favour of an amicable settlement to the issue of increased import tariffs on Indian steel and aluminium by the US as it does not want to indulge in a trade war with the country.

“The issue of raised tariffs on steel and aluminium will be discussed at length at the Indo-US Trade Policy Forum meeting on Tuesday in New Delhi, but we don’t know yet what the US expects in return if it were to withdraw the duty hike. We will approach the matter with an open mind as we do not want a trade war with the country which is an important trade partner,” a government official told BusinessLine.

Last month, the US had imposed a 25 per cent levy on steel and 10 per cent on aluminium on a handful of countries, including India and China, ostensibly to protect US national security and economic interests. The move, however, is being seen as one which is primarily aimed against China.

“If one examines the items in the steel and aluminium category that have been penalised with raised import tariffs, they are largely the ones that China exports. India, on the other hand, exports a small percentage of the penalised aluminium and steel items,” the official said.

India, however, wants the US to revoke the duty hike against the country, as it has already done in the case of the EU, Argentina, Australia, Brazil, South Korea, Canada and Mexico.

“Officials from the Commerce Ministry have had one round of talks with counterparts on a possible roll-back of the increased import duties on aluminium and steel but it remained inconclusive. Hopefully, the matter will see tangible movement in the TPF meeting,” the official said.

The US team participating in the Trade Policy Forum meeting will be led by Assistant US Trade Representative Mark Linscott. Other issues to be taken up by India at the meeting include concerns on increasing crackdown on H1-B visas by the US and restrictions for mango, grapes and pomegranate exports.

US demand

There is, however, no clarity over what the US might demand in return for roll-back of the duty hike on steel and aluminium. “The US has already been making a case for increased market access for dairy products, poultry, other agricultural items and motorbikes as part of its demand that the trade deficit that it suffers against India be bridged. We don’t know whether these demands would be repeated,” the official said.

India has worked towards providing more market access to the US by reducing import duties on items such as motorbikes, including Harley Davidson, but the Trump regime wants more.

India’s imports from the US in the April-February 2017-18 period were at \$23.34 billion which was 14.68 per cent higher than imports in the comparable period of the previous fiscal. The country’s exports to the US during the period were at \$43.32 billion, 13.34 per cent higher than exports in the same period of the last fiscal.

Source: thehindubusinessline.com- Apr 10, 2018

[HOME](#)

Container handling by major ports rises 8% to 9.135 m TEUs in FY18

JNPT retains the pole position, followed by Chennai Port Trust

The 12 state-owned major ports loaded a combined 9.135 million twenty-foot equivalent units (TEUs) in 2017-18, 8.08 per cent more than the previous year.

In FY17, the dozen major ports handled 8.452 million TEUs. Containers handled at major ports are expected to cross the 10 million mark this fiscal.

Container cargo

The container cargo handled by the 12 major ports during FY18 accounted for 19.67 per cent of the 679.359 million tonnes (mt) of total cargo, according to the Shipping Ministry.

The total cargo handled by the 12 ports rose 4.77 per cent to 679.359 mt from 648.398 mt in FY17.

Petroleum, Oil and Lubricants or POL topped the cargo mix at the 12 ports with a share of 31.55 per cent.

Jawaharlal Nehru Port Trust (JNPT), country's biggest container port, retained the pole position among the major ports in container handling, with a volume of 4.833 million TEUs, followed by Chennai Port Trust with 1.549 million TEUs. Kolkata Port Trust held the third spot with 796,000 TEUs.

The largest jump in commodities was in coking coal shipments, which spurted 8.62 per cent to reach 50.596 mt in FY18 from 46.582 mt a year earlier.

POL shipments grew 7.22 per cent to 214.311 mt from 199.878 mt in FY17.

Iron ore was the only commodity to register a decline during the year, a drop of 2.75 per cent to 48.590 mt from 49.964 mt in FY17.

Thermal and steam coal shipments rose 2.77 per cent to touch 95.266 mt from 92.701 mt in FY17.

Shipments of raw fertiliser grew 7.22 per cent to 7.529 mt while that of finished fertilisers jumped 6.78 per cent to 7.526 mt, the Shipping Ministry said.

Source: thehindubusinessline.com- Apr 10, 2018

[HOME](#)

Indian ministry clears 51 Chhattisgarh handloom projects

The Indian textiles ministry has received 56 proposals during the last three to four years from Chhattisgarh state government under the National Handloom Development Programme (NHDP) out of which 51 were approved with a projected cost of ₹16.68 crore. Around 940 weavers in the state benefited under the Integrated Handloom Development Programme during 2016-17.

Under the Prime Minister Employment Generation Programme (PMEGP), 8,500 persons were provided employment in Chhattisgarh in the textile sector during the past eight years, an Indian daily reported quoting senior government officials.

Under PMEGP, sponsored by the Khadi and Village Industries Commission (KVIC) of the central government, projects costing up to ₹25 lakh is sanctioned for setting up of cottage industry. The loan availed from the bank has to be returned over a period of seven years.

Around 119 cottage industry units were established in the state with an investment of ₹1.78 crore under PMEGP during 2015-16, according to the officials. The Chhattisgarh Khadi and Gramodhyog Board runs the project in Chhattisgarh.

The Chhattisgarh government has also established apparel training and designing centres in Bilaspur, Raipur, Bhilai and Rajnandgaon.

Source: fibre2fashion.com- Apr 09, 2018

[HOME](#)
