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IBTEX No. 74 of 2019 April 10, 2019

USD 69.17| EUR 77.92 | GBP 90.37 | JPY 0.62

Cotton Market		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22153	46300	**85.27**
Domestic Futures Price (Ex. Warehouse Rajkot), April		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22120	46231	**85.15**

International Futures Price	
NY ICE USD Cents/lb (July 2019)	78.47
ZCE Cotton: Yuan/MT (September 2019)	15,755
ZCE Cotton: USD Cents/lb	106.47
Cotlook A Index – Physical	**88.35**

Cotton Guide: The USDA WASDE Report was released yesterday. Both the stocks and the production estimates have increased marginally for both US and the World, whereas exports have increased marginally. This might have intermittent resistance to price. 80 seems as a key psychological level. Profit booking may be witnessed amid USDA report. Immediately after the WASDE report the prices for ICE May fell from 79.30 to 77.60 cents/lb. As long as it is holding above 76 cents/lb, we can consider the bullish trend to continue.

The US Government lowered domestic consumption by 100,000 bales which in turn increased the ending stocks from 4.3 to 4.4 million bales while the world ending stocks were seen at 76.44 million bales, 360,000 bales above the previous estimate. The WASDE report provides a tinge of bearishness.

However, here in India - Cotton Association of India (CAI) has revised the cotton crop production to 321 lakh bales as compared to the previous 328 lakh bale figure, which can drive the international and domestic market north.

The CAI has reduced the crop estimate for Gujarat by 1 lakh bales, Maharashtra by 80,000 bales, Telangana by 4 lakh bales, Andhra Pradesh by 1 lakh bales and Karnataka by 75,000 bales whereas there is marginal increase of 50,000 bales in Tamil Nadu and 5,000 bales in the State of Orissa. Total cotton supply projected by the CAI during the period from October 2018 to March 2019 is 290.00 lakh bales of 170 kgs each which consists of the arrival of 255.83 lakh bales upto 31st March 2019, imports of 6.17 lakh bales upto 31st March 2019 and the opening stock at the beginning of the season at 28 lakh bales.

ICE - The focus has now shifted to the ICE July contract with the Open interest of ICE July showing greater numbers as compared to ICE May. Total open interest at ICE decreased by 5,539 contracts to 226,189. July 2019 and December 2019 interest increased by 2,448 and 1,370 contracts, respectively, to 77,749 and 75,045.

The ICE July future also settled at 78.47 cents/lb with a change of -53 points. It although could touch a new high of 79.57 but could not sustain the trend after the market took a dive after the WASDE Report. The spread between the ICE MAY and ICE July also has increased as compared to the previous session. The total volumes were seen at 68,758 contracts as compared to the previous figure of 62,313 contracts.

The MCX contracts on the other hand also followed ICE but ended with decent negative settlement figures. The MCX April contract settled at 22,120 Rs/bale with a change of -120 Rs. The MCX May contract settled at 22,400 Rs/Bale with a change of -120 Rs whereas the MCX June contract settled with a figure of 22,670 Rs/Bale with a change of -100 Rs. Sentiments of the market participants are still positive in India.

The cotlook Index A has been adjusted to 88.35 cents/lb with a positive change figure of +0.55 cents/lb. The total arrivals are estimated to be around 85,000 lint equivalent bales (private estimates). Shankar 6 is available to exchange hands at 46,300 Rs/Candy but can soon witness a rise upto 46,800 Rs/Candy this week.

Factors to watch this week is on what path will crude walk, bullish or sideways. Secondly, the weekly export US Export Sales (to be released on Thursday) if positive can strengthen the bulls even more to drive the prices forward.

On the technical front, for July - the ICE Cotton futures failed to sustain above the 79 levels after testing levels of 79.57 in yesterday's trade. As shown in the chart prices hit the higher end of the upward rising channel and witnessed decline towards 78 levels. Meanwhile price is still moving above the short term EMA of 13 days at 78.00.

In the daily charts positive crossover of 13 day EMA above the 26 day EMA supported the bullish bias in cotton futures. Moreover, the strength index RSI is holding above 60, which further strengthened rally in price. So for the day price is expected to remain in the range of 78.00 to 79.40/79.80 with sideways trend. In the domestic market April future is expected to remain in the range of 21950-22300

Currency Guide

Indian rupee may witness choppy trade against the US dollar but general bias remains weak. Indian rupee appreciated 0.5% yesterday amid general correction in US dollar and crude oil price from recent highs. Brent crude retreated from November 2018 highs amid uncertainty about OPEC's production cut deal and global growth worries. Rupee and other emerging market currencies have also benefitted from increasing talks about Fed's interest rate cut.

However, weighing on rupee is weakness in US and global equity markets. Weighing on risk sentiment is IMF's downbeat growth outlook, increased EU-US trade tensions and Brexit uncertainty. IMF lowered global growth forecast from 3.5% to 3.3% citing trade worries and disorderly Brexit concerns. Tensions between US and EU intensified as both vowed to duties against each other for their subsided to Boeing and Airbus respectively.

Brexit concerns are high as UK Prime Minister meets European leaders seeking an extension till June 30. Also weighing on rupee is downbeat growth outlook. IMF lowered India's GDP growth forecast from 7.5% to 7.3% in 2019-2020. Both ADB and RBI last week cut their 2019-20 growth projection for India.

Rupee may witness choppy trade amid mixed factors however general bias may be on the weaker side amid global economic uncertainty. We may also see some choppiness amid positioning ahead of onset of general elections on April 11. USDINR may trade in a range of 69.15-69.65 and bias may be on the upside.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

IMF forecasts dip in global growth in 2019

India's growth projected to pick up from 7.1% last year to 7.3% this year and 7.5% in 2020

The International Monetary Fund (IMF) has projected that global growth will be 3.3% in 2019, down from 3.6% in 2018 and 4% in 2017, IMF Chief Economist Gita Gopinath told the press at the release of the World Economic Outlook 2019 April report, at the start of the World Bank IMF Spring Meetings.

This lower projection is due to lower global expansion in the second half of 2018 caused by U.S.-China trade tensions, macroeconomic stress in Turkey and Argentina, tighter credit policies in China and financial tightening plus a normalisation of monetary policy in advanced economies.

'Robust consumption'

India's growth is projected to pick up (from 7.1% in 2018) to 7.3% in 2019 and 7.5% in 2020, "supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy," the report said. These forecasts are nevertheless less by 10 and 20 basis points from the January and October forecasts.

"Nevertheless, reflecting the recent revision to the national account statistics that indicated somewhat softer underlying momentum, growth forecasts have been revised downward compared with October 2018 WEO by 0.1 percentage point for 2019 and 0.2 percentage point for 2020, respectively," the IMF said.

The IMF expects growth to pick up in the second half of the year driven by an accommodative policy stance in advanced economies, the prospects of easing of trade tensions between the U.S. and China and ramped up fiscal and monetary stimulus by China to counter the trade war's effects.

Global growth is therefore expected to return to 3.6%, but this is subject to a rebound in Argentina and Turkey and certain emerging market risks not manifesting. Brexit uncertainties and China's growth not being as high as expected (down from 6.6% in 2018 to 6.3% and 6.1% in 2019 and 2020 respectively) are risks that will impact these projections.

Moderation in expansion

Beyond 2020, global growth is expected to level out at 3.6% over the medium term, driven by a moderation in expansion in advanced countries (caused by weak productivity growth and slow labour force growth) and the stabilisation of emerging market expansion at 2020 levels.

Advanced economies are expected to slow down to 1.6% growth by 2022 and remain at that rate thereafter.

For emerging markets and developing countries, growth is expected to steady at 4.8% over the medium term and given that these groups are growing faster than advanced economies, their contribution to global growth is expected to increase from 76% to 85% over the next five years. However, there are "important differences" within emerging markets and developing economies.

For instance, China is expected to slow down to 5.5% by 2024 as it moves towards increasing private consumption and services and regulatory tightening. India's growth is expected to stabilise at 7.75% over the medium term, driven by structural reforms and the easing of infrastructure bottlenecks.

In terms of policy priorities, the IMF has called for a "continued implementation of structural and financial sector reforms" in order to lower public debt and aid growth.

Specifically, it says a continued fiscal consolidation is needed to bring down public debt, strengthening goods and services tax compliance and lowering subsidies.

The report also notes "important steps" taken to speed up the resolution of Non Performing Assets (NPAs) and a simplified bankruptcy framework — measures that can be reinforced by stronger governance of public sector banks. The IMF also calls for laws around land reform to change, to expedite infrastructure development as well as changes to hiring and firing laws in order create jobs and “absorb the country’s large demographic dividend”.

China slowdown

Domestic regulations were tightened to constrain shadow financial intermediation, resulted in slower domestic investment, especially in infrastructure.

There was also weakened spending on consumer durables and automobiles, export orders fell as a result of the US-China trade actions, and growth fell to 6.0% in the second half of 2018, from 6.8% in the first half. China is projected to grow at 6.3% and 6.1% in 2019 and 2020 respectively.

Data-driven monetary policy

There were several references during the briefing to the need for monetary policy being data-driven. The Hindu spoke with Ms Gopinath on how Central Bank independence had factored into the short and medium term forecasts.

“Well, I mean, we strongly emphasise operational independence for the Central Bank, and that is how we how also make our assumptions in our forecast and I think that is important for all the countries…we push for operational independence of the Central Bank,” she said.

The IMF WEO 2019 also says, “ a social dialogue across all stakeholders to address inequality and political discontent will benefit economies”. Additionally, it calls for multilateral cooperation to address trade conflicts, climate challenges, cybersecurity issues and to enhance the effectiveness of the international tax system.

Source: thehindu.com- Apr 09, 2019

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Will Vietnam become the next 'world's factory' as production moves away from China?

The Vietnamese economy has been touted as a major beneficiary of the US-China trade war as companies are reportedly relocating factories to Vietnam to rebuild their supply chains. Whether the Southeast Asian country can replace China to become the next "world's factory" has become a hot topic of discussion.

Vietnam's GDP grew 6.79 percent in the first quarter of this year thanks in large part to the growth in its processing and manufacturing sector. Though its economic growth rate slowed from the 7.31 percent gain in the previous quarter, the country is still likely to be the fastest-growing economy in Asia during the period.

In the past, Vietnam attracted capacity transfers from many manufacturers in textiles, garments and other low-end industries that have fled China over the past decade due to rising labor costs. In 2010, Vietnam surpassed China for the first time as the leading producer of Nike shoes.

Now against the background of the trade war, the Southeast Asian country seems well poised to become a new regional manufacturing hub across a variety of sectors.

In order to bring high-tech manufacturing back to the US, the Trump administration has taken a series of actions, including initiating the trade war with China, to reshuffle global supply chains.

Multinational companies have also been moving their operations to countries with lower costs, such as Vietnam, partially under the cost pressure caused by US tariffs on Chinese exports.

With geographical proximity to China, Vietnam boasts the largest industrial manufacturing system in Southeast Asia. A young population and low labor costs also add to its appeal to multinational companies.

As international electronics giants are relocating to Vietnam, the country is set to become the new manufacturing center for the global electronics industry.

In 2018, South Korea's Samsung and Japan's Olympus closed their respective factories in Shenzhen, South China's Guangdong Province, and transferred their operations to Vietnam. Samsung has already invested billions of dollars in building a grand manufacturing base in the Saigon High-Tech Park in Ho Chi Minh City.

The park has also received heavy investment from other high-profile tech giants like Intel, Schneider and Jabil. Moreover, in 2015, Microsoft moved its Nokia manufacturing from Beijing to Hanoi, the Vietnamese capital.

Many observers often cite low labor costs as a major factor behind Vietnam's growing appeal to multinationals. The labor costs in Vietnam are generally about one-third to one-quarter of those in most areas in China, representing a significant advantage for labor-intensive manufacturing industries. However, these observers often overlook other key factors attracting global manufacturers, such as a young population, the country's proximity to China, a supportive policy environment and solid economic growth.

Moreover, China's industrial upgrading and transformation have also played an important role in facilitating the transition of manufacturing work to Vietnam. As China accelerates its steps in moving into medium and high-tech manufacturing due to rising labor costs, low-cost manufacturing will inevitably flow to Vietnam and other economies.

While the question of whether Vietnam can replace China to become the world's next top hub for low-cost manufacturing has caused a clamor, it remains unrealistic to expect Vietnamese manufacturing to completely replace Chinese manufacturing.

Despite the distinctive advantages in attracting foreign manufacturers, there are still limitations to Vietnamese production. To name just a few, the Southeast Asian country's industrial and supply chains can't be compared to China's in terms of both completeness and comprehensiveness.

After years as the world's factory, China has developed the most complete industrial and supply chains in the world, with thousands or even tens of thousands of suppliers available for manufacturing sophisticated products. And Vietnam is still far from having such a foundation of suppliers.

Moreover, China's infrastructure - including roads, ports and other logistical support - also outperforms Vietnam's infrastructure, which is equivalent to that of China's decades ago.

In short, because of the industrial chain problem, it is basically impossible for Vietnam to completely take over China in terms of manufacturing capacities. There is no need to panic about the current manufacturing shift to Vietnam, which is totally normal, and inevitable, in the market economy.

Yet, it is worth noting that the biggest concern in the production transfer may be the unemployment problem. Some experts believe that since all industrial countries have experienced similar situations in the course of their development, China can also pull through it. Nevertheless, the difference for China lies in the fact that its working population is just too large. That should be the main issue deserving attention and caution during the transition.

Source: globaltimes.cn- Apr 09, 2019

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USA: There's Momentum in the Market

What a difference a day makes!

Ever since last Friday's USDA's indication that cotton plantings would likely be some 500,000-700,000 acres less than market expectations, cotton prices have moved higher and higher. The momentum is still in the market.

The smaller-than-expected U.S. plantings brought out Chinese government buyers, and they were looking for U.S. styles. The bullish factors: swine flu disaster in China, reduced 2019 U.S. plantings, the strongest signals to date of a conclusion in the U.S.-China trade tiff, strong Indian export sales and declining Indian carryover, a resurgence in U.S. export sales and shipments…and the list goes on.

Almost certainly capped at 75 cents two weeks ago, the new crop December futures contract can now see a few more cents, maybe even 80 cents. Yet, the concern of supply outstripping demand in 2019-20 is real. Additionally, growers have aggressively contracted cotton with merchants, but have delayed pricing – a side note that could pressure prices later in the growing season.

U.S. export sales for the week totaled a net of 489,600 bales (upland 473,200/Pima 16,400) for 2018-19 and 2019-20 (details of the report are online). Equally impressive were export shipments, totaling 410,900 bales of upland and 17,000 bales of Pima. This brought shipments back in line with USDA's projected export target of 15.0 million bales.

Sales were made to some 17 countries – short of the 20+ used as our barometer for measuring strong demand. However, China was an excellent buyer of old crop at 69,900 bales of upland, with new crop upland purchases of 118,800 bales.

Very important to the market was Washington's announcement that significant progress had finally been made in technology trade issues. The U.S.-China trade disagreement has always been about technology and never about agriculture.

China introduced agricultural trade in an attempt to pressure Washington. That pressure now failing, China has agreed to the more important technology issues. This is freeing U.S. agriculture from the Chinese sanctions.

Thus, the potential cotton trade with China is now blossoming, and the uncovered Chinese demand is taking prices higher. China will buy additional U.S. cotton, but 2020 purchases will still be skewed toward China's new found cotton trading partner Brazil.

Adding to old crop bullishness is the fact that May and July futures contracts do not have any natural sellers. Old crop on-call purchases (requiring the selling of contracts) are very limited, while old crop on-call sales ratio to purchases for July (requiring the buying of futures) are some 8 to 1. This ratio is supportive of higher July futures prices.

Mother Nature gave most cotton growers a banner week, and most appear to have another coming. While corn planting made excellent planting progress across the Mid-South in the past week, the very end of the planting window has arrived, and cotton will get some of the intended corn area.

However, the boost to cotton acreage will be limited. Thus, the U.S. is likely looking at cotton production between 21 and 22 million bales instead of the 24 million thought possible just two weeks ago.

This change in the supply demand balance sheet will provide a bullish underpinning at the 73-cent level, basis the December contract. We were aggressive hedgers at 75 cents in December and will now wait for an attempt to climb to 80 cents. December was up some 140 points on the week, and demand suggests another 300-400 points is on the way. Nevertheless, some of it will be akin to sitting in a dental chair.

Source: cottongrower.com- Apr 06, 2019

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USA: The Importance of Building Cotton Demand

Cotton is presold on its comfort. And with good production potential anticipated for 2019, building demand for cotton remains important.

Speaking during the 62nd Annual Meeting of Plains Cotton Growers (PCG) in Lubbock, Berrye Worsham, president and CEO of Cotton Incorporated, highlighted three important aspects of cotton to enhance its demand.

With U.S. cotton production projected to reach 20-25 million bales (480 lbs. each), creating more value and new industrial applications such toxic oil absorbent and insulation products becomes critical.

According to Worsham, cotton's advantages fall into three categories – health/wellness, strategic benefits and sustainability. Compared to some synthetics, cotton does not cause skin irritation. Synthetics may retain odor more than cotton, and workout clothes from cotton wash much cleaner.

Based on survey results, 82% of consumers surveyed in India and 64% of consumers in China stated that sustainability influenced their clothing purchase, compared to 47% in the United States.

Also, textiles now account for about 37% of microplastic contamination in water. With growing awareness of the microplastic pollution, cotton's natural characteristics offer a competitive advantage, as the fine cotton fibers degrade in water systems. Some predictions state that with an increase in the synthetics' usage, the microplastic contamination can grow three times by 2050 – a serious concern.

The cotton industry is also focusing its efforts to create more awareness among consumers on the fiber content in their clothing, stated Worsham.

Source: cottongrower.com- Apr 09, 2019

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Cotton Highlights from April WASDE Report

The April 2019 World Agricultural Supply and Demand Estimates (WASDE) report has been released by USDA. Here's this month's summary for cotton:

The 2018/19 U.S. cotton supply and demand forecasts show lower consumption and higher ending stocks relative to last month. At 3.1 million bales, U.S. cotton consumption is now forecast to reach its lowest level since the 1890s.

Ending stocks are now forecast at 4.4 million bales – a 100,000-bale increase from both the previous 2018/19 estimate and from the current estimate for 2017/18. The season-average farm price is unchanged with a midpoint of 70 cents per pound.

Lower world consumption this month results in higher projected 2018/19 ending stocks, with little net change in the other components of the global balance sheet. World mill use is forecast about 400,000 bales lower this month. A 300,000-bale decline in Turkey – and smaller declines in the United States and Vietnam – more than offset smaller increases elsewhere.

Lower imports for India, Turkey, and Vietnam are largely offset by an upward revision for China. Lower exports for India and Burkina Faso are largely offset by Australia and Turkey. Higher production for China is largely offset by a decline for Burkina Faso.

World ending stocks in 2018/19 are forecast about 360,000 bales higher this month, with an increase in China's stocks more than offsetting a decline in stocks outside of China.

Source: cottongrower.com- Apr 09, 2019

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US Threatens EU With Tariffs Over Aircraft Subsidies; Retaliation Expected

The Trump administration is threatening to target $11 billion in European goods with tariffs as part of a spat over subsidies for the world's two biggest aircraft makers, escalating an American trade war on a second continent.

What Happened

The U.S. is threatening the tariffs in response to Europe's subsidizing of Airbus SE, an accusation backed by the World Trade Organization. The EU says if the U.S. presses forward with tariffs over the issue, it could pursue its own tariffs over U.S. subsidies to Boeing Co.

What It Means

The threats escalate trade tensions on another front for the U.S., though the dollar amount involved is a tiny fraction of the $360 billion in tariffs the U.S. and China have on each other's goods.

The expanding trade war talk is worrying investors in companies with a large international market presence — and spurring fears of exacerbating an economic slowdown in Europe.

Both the U.S. and EU have won "partial victories" in their claims of unlawful subsidies to the jet makers, but they disagree on the amount and whether earlier WTO rulings were followed, according to Reuters.

The list of targets for U.S. duties is long, including foods ranging from cheese and wine to yogurt, butter, seafood and olive oil. **It also includes non-military helicpopters and airplanes, some motorcycles and clothing, clocks, glassware, textiles, carpets and other goods**.

Reports from Europe recounted emerging concerns among large exporters about the possibility of an ongoing expansion of the trade dispute that could widen it more to cover items not currently on the list.

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Source: benzinga.com- Apr 09, 2019

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The Trump administration wants to slap tariffs on $11 billion worth of goods from the European Union

US Trade Representative Robert Lighthizer announced that the Trump administration plans to slap tariffs on $11.2 billion worth of imports from the European Union in retaliation for the EU's subsidies for aircraft manufacturer Airbus.

The US alleged in a World Trade Organization (WTO) case that the EU's subsidies for aircraft manufacturer Airbus are a violation of international trade rules and harm the US economy. After years of litigation, Lighthizer said the Trump administration decided to make a move to punish the EU.

"This case has been in litigation for 14 years, and the time has come for action," Lighthizer said in a statement.

"The Administration is preparing to respond immediately when the WTO issues its finding on the value of US countermeasures."

While the tariffs are not finalized and are subject to the decision by a WTO arbitrator, the proposed list includes a wide variety of items ranging from Airbus aircraft to olives, sweaters, and industrial microwaves.

The exact tariff rate has also not been determined and is likely subject to the arbitrator's decision.

Here's the major categories of goods that will be hit:

- Aircraft and aircraft parts (only for imports from France, Germany, Spain or the United Kingdom): Non-military helicopters; passenger planes; cargo planes; fuselages
- Fresh seafood: Swordfish steaks and fillets; salmon fillets, trout fillets; crab meat; crab in shell
- Dairy products: Yogurt; certain types of butter; cheeses including fresh cheddar cheese, fresh Swiss cheese, other types of fresh cheese, Roquefort cheese, Colby cheese, Stilton cheese, Blue-veined cheese, gouda cheese, and Gruyere-processed cheese
- Fruit: oranges; mandarins; clementines; grapefruit, lemons; certain types of limes
- Olive oils
- Prepared seafood: salmon; lobster; herrings; oysters; scallops; mussels; cuttle fish; octopus; clams; Abalone; snails
- Produce: green olives; jams including apricot, cherry, guava, peach, pineapple, others; fruit pastes including apple, mango, papaya, strawberry
- Drinks: juices - including pear and prune; non-mineral water; non-alcoholic beer; chocolate milk; non-orange juice from a single fruit or vegetable; sparkling wine from grapes; certain types of wine; liqueurs and cordials
- Essential oils: oils - including orange, lemon, grapefruit, citrus fruit, peppermint, and eucalyptus
- Leather handbags
- Wooden tools or wooden tool handles
- Paper products: brochures; lithographs on paper or paperboard; pictures on paper
- Fibers and cloth products: yarn - including various types made of cotton, polyester, man-made fibers; carpets made of wool and man-made fibers; blankets; bed linens made of cotton
- Clothing: sweaters made of cotton, man-made fibers, wool, cashmere; ski-suits; women's windbreakers; men's suits made of certain types of wool and artificial fibers; women's pajamas made of cotton; women's swimsuits
- Mineral products: certain types of monumental or building stone; non-roofing slate; articles of cement; certain types of ceramics including tiles, houseware, and mugs

- Glass products: glassware for kitchens, bathrooms, and indoor decorations; certain types of glass fiber yarns
- Metal products: palladium; silver and some silver products; certain products of ferromanganese; products of iron/steel including chains, thumb tacks, nails, and knitting needles; copper alloys; zinc for houseware use or tubes
- Tools: metal tweezers; axes; slip joint pliers; pipe or bolt cutters; screwdrivers; knives including table knives, hunting knives, kitchen knives, and butcher knives; electric tools; industrial microwaves
- Bikes and bike parts: motorcycles; motorcycle parts and accessories; bicycle parts
- Cameras and lenses: projection lenses for cameras or projectors; mounted lenses for closed-circuit cameras; binoculars; telescopic sights for rifles
- Scales: jewelers' scales; electrical balances of a sensitivity of 5 cg or better
- Clocks: non-electric wall clocks; time recorders; non-electric clock movements
- Artists' brushes for cosmetics

Source: businessinsider.in- Apr 09, 2019

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Classifying a Fiber as 'Good' or 'Bad' is Too Simplistic, Report Says

Fiber content isn't the be-all and end-all of sustainability, claims a new two-part report that sifts through the data about the environmental impact of fibers. Contrary to conventional wisdom, a T-shirt made from organic or recycled cotton may not even be the most eco-friendly option.

The problem, according to Sweden's Mistra Future Fashion, a research program revolving around the circular economy, is that the industry is too caught up in the binary between "good" versus "bad fibers, even though the differences between specific suppliers of fibers are often greater than those between fiber types or production methods. While fiber makeup is often a central consideration for brands and retailers, transparency throughout the production chain should present the "more pressing issue."

"When calculating the total environmental impact of a garment, one can not only consider the material used in the garment itself, but also what resources have been used to produce the garment," Sandra Roos, a researcher at Research Institutes of Sweden (RISE), said in a statement. "Even though the garment could be made from recycled fibers, the factory may have used fossil fuels for electricity supply, thereby increasing the garment's total environmental impact."

Taken collectively, such "secondary flows" are often larger and more consequential than the raw materials used as the fiber feedstock, Roos added. Fiber categorizers should therefore take a "much more nuanced" approach that makes divisions between producers based on the appropriateness of their environmental management or "poor or better" uses of the fiber.

Case in point? "Viscose produced with nearly closed chemical loops and renewable energy can be among the best alternatives, while viscose produced with irresponsible chemical management and coal power can be among the worst," Roos said.

At the same time, it's unlikely that one or a few fiber types alone can "constitute a future sustainable fiber supply," the report noted. Because fiber diversity "enhances sustainability," it's crucial that claims about a fiber's sustainability are not exaggerated, simplified or framed as a panacea to the exclusion of all others.

Gustav Sandin, another researcher at RISE, says characterizing innovative new fibers as "sustainable" without the life-cycle assessment data to back them up can be misleading and, ultimately, self-detrimental.

"Without such data, there is a risk that investments in new fiber technologies are not made where there are greatest potential gains," Sandin said. "There is also a risk that new and better fibers are, in decision-making, undervalued and unappreciated in relation to established fibers for which data on environmental performance and technical properties are available."

Source: sourcingjournal.com- Apr 09, 2019

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Dynamics changing, as new markets beckon US apparel importers

Recovering from the 2018 turmoil, US apparel imports in January 2019 increased 25 per cent to $7.57 billion. The country again sourced from its traditional markets – China, Vietnam, Bangladesh, India, etc in 2019. It had, in the second half of 2018, shifted its sourcing to nearby destinations of Central and South America.

From July 2018, US apparel retailers and buying houses began exploring newer markets to source from. It also sourced a lot of high end apparels from Europe. And Ethiopia's exports to US are witnessing a robust increase. There are once again clear signs of shifting supply chains in the apparel market.

US apparel imports decline in June 2018

US apparel imports declined 6.2 per cent in value terms in June 2018. Imports from Canada and Mexico duringDynamics changing as new markets beckon US apparel importers this period increased 30 per cent and 11.71 per cent respectively.

US buyers also sourced more from Guatemala, El Salvador, Honduras, Costa Rica, Haiti, Dominican Republic, Bolivia, Chile, Argentina. US apparel imports from almost all traditional Asian suppliers-China, Bangladesh, India, Vietnam, Cambodia, Thailand, Pakistan, Indonesia, Philippines, among others-declined in the first half of 2018.

Imports from China declined 5.53 per cent, while imports from Bangladesh fell around 3 per cent. From the African region, imports increased from Ethiopia and Lesotho, and declined from Kenya, despite the AGOA.
Sourcing choices shift in second half of 2018

In the second half of 2018, imports from Canada and Mexico declined by 27.3 per cent and 17.88 per cent respectively, as NAFTA was replaced.

Imports from South and Central America continued to rise, with a decline witnessed only from Dominican Republic and Peru. UVRs were significantly higher for Chile, Bolivia, Peru, Ecuador, Panama, Nicaragua.

Imports from China declined by 33.84 per cent from July 2018. Also, US imports from Hong Kong declined by 51 per cent in value and 69.45 per cent in volume. Imports from India, Pakistan, Nepal, Bangladesh, Vietnam, Cambodia, Malaysia, Indonesia, Philippines and South Korea also declined. US imported a little more apparel from Sri Lanka, Thailand, Laos and Japan.

Within the African region, imports from Ethiopia and Lesotho continued to rise, while Kenya suffered an export setback despite the large number of Chinese investments happening in Kenya's textile industry.

US explores new markets in 2019

US apparel imports in January 2019 increased by 25.34 per cent higher compared to a month before. In January, imports from Canada and Mexico increased by 9.86 per cent and 3.87 per cent respectively.

Imports from Eastern Europe show a mixed trend, with imports rising from Czech Republic, Lithuania and Poland. Imports from Russia declined by 92.62 per cent in January, while those from Belarus increased by 174.51 per cent. Imports from Greece and Turkey also improved.

According to the Commerce Department, consumer spending dropped by 0.5 per cent last month, its first decline since September 2016.

The report also indicated a 0.1 per cent drop in the personal income in January 2019, for the first time in nearly three years.

Thus, in 2018, US buyers explored diverse markets across the globe. If it aims to remain in the competition, Indian exporters will have to find new ways to service demand from this market.

Source: fashionatingworld.com- Apr 09, 2019

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Textile: Pak-China FTA needs revision

When it comes to trade, the products matter as much as the agreements that govern them. Free trade agreements signed by Pakistan have not been the best for the local industry. The FTA with China has had concerns raised by domestic manufacturers across multiple sectors. But the leeway provided in the textile sector to China has proved especially problematic.

If the garments trade is to be bolstered, the FTA needs to recognize the strengths of local producers and ensure parity. The recently issued Pakistan Business Council (PBC) report on the garments sector correctly terms the Pak-China FTA as an unbalanced deal for the domestic industry.

Out of a total 272 tariff lines in the FTA, Pakistan has only been taking advantage of 39 which equals to 14 percent of the total concessions given by China. Add to that the fact, that out of the total products in Pak-China FTA almost 15 percent were not imported by China from any country at all. This shows the level of ingenuity employed by the Chinese trade negotiators in drafting the Pak-China FTA to their advantage.

But the inequitableness does not end here. The PBC report highlights that none of the common products between Pakistan's exports and China's imports were under category I, which has zero applicable tariffs or even category II which has only 0-5 percent tariffs for five years. So basically what that means is that 4 out of top 6 textile product exports to Pakistan do not have any concessions at all and are under category V.

These include full length or knee length stockings, socks and other hosiery (HS code 611595), T-shirts singlet and other vests of cotton (HS code 610910) as well as men's or boy's shirts of cotton (HS code 610990).

Of course all this would be much less of a pain point if China had not granted ASEAN countries duty free access in Chinese markets while Pakistan has had tariffs imposed on its garment exports to China. As this column has highlighted before and as is mentioned in PBC's report as well, articles of apparel and clothing accessories (HS codes 61 and 62) both have 7 and 9 percent tariffs imposed by China on Pakistan while ASEAN countries have zero tariffs imposed on them.

Add to this the high cost of production issues faced by Pakistan's textile export manufacturing base, and the products become even more unfeasible for imports by Chinese companies. The solution lies in doing data driven analysis and identifying key strengths of the local industry to push for category I status in our top value added segments. The negotiation should also focus on removing disparities in the treatment meted out to ASEAN countries and Pakistan, ensuring duty free access for the latter as well.

Source: brecorder.com- Apr 09, 2019

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UAE: Textile sector needs innovative technologies for faster growth

Innovative technologies can be the answer to a greener footprint within the hydrocarbon dependent textile industry, concluded industry experts at a panel discussion titled 'How Sustainable is Sustainability?' held at a hotel in Dubai on Tuesday.

Attended by leaders from the public and private sector, the panel was organised by Blossom Trading, one of the largest importers of Dishdasha / Kandoora materials from Japan catering to the GCC, Iraq & Yemen markets, in association with Itochu, one of Japan's largest trading companies.

The event was held as part of a high-level Japanese delegation visiting Dubai to unveil a new revolutionary technology that manufactures resins using old recycled clothes rather than buying hydrocarbon-based pellets to create new fabric. The delegation seeks investment from local businesses for this project.

The event was attended by Ali Ibrahim Mohammed, Deputy Director General and Mohammed Shael AlSaadi, CEO, Corporate Strategic Affairs Sector of Dubai Economic Development Department.

The panelists included Khaled Al Huraimel, Group Chief Executive Officer, Bee'ah, UAE; Masaki Takao, CEO & Co-Founder, JEPLAN, Japan; Takuya Kato, Asahi Kasei Corporation, Japan; Junichi Nakagawa, Deputy Manager, SI Section, ITOCHU, Japan; Seitaro Kochi, Toyoshima, Japan and Mahesh Advani, MD, Blossom Trading & Chairman, TEXMAS, UAE.

Delegates at the panel discussion heard that the global $1,200 billion garment industry will greatly benefit from new technologies that are created to tackle sustainability issues facing the sector such as greater use of energy and water.

During the course of the discussion, it was revealed that the manufacturing plant, estimated at an initial investment of $30 million, is aimed at being set up in Dubai to manufacture pellets that are created from old clothes that are broken down into raw material. The investment model following the public-private-partnership (PPP) approach to attract investment from local businesses in the UAE with Japanese expertise and knowledge sharing.

Masaki Takao, CEO & Co-Founder of JEPLAN (Japan Environmental Planning), explained during the panel how the successful pilot plant in Japan set up in 2017 and spread over 10,000 square meters, breaks down old clothes with polyester and cotton fibre through a recycling process to create PET pellets. These pellets are then used to manufacture new fabric that is then put back into the supply chain for a variety of uses including the fashion industry.

Mahesh Advani Managing Director of Blossom Trading and Chairman Texmas (Textile Merchant group) explained further: “The UAE textile industry is the country’s largest trading sector after oil. UAE’s textiles exports cover more than 90 countries in Africa, the Middle East, South Asia and Europe, while major exporters are China, South Korea, Japan and Asia.

Dubai continues to witness transformational growth, largely driven by the emirate’s ability to adopt innovative technology solutions. With JEPLAN’s new technology aimed at setting up a factory in Dubai to manufacture the raw material required to create sustainable textile products, we will tick all the boxes on our journey towards a greener future.”

JEPLAN’s technology is already being used by high-end retailers such as H&M for whom the Japanese company is making clothing by dissolving polyester fibre from used garb, purifying it and then turning it into a polyester resin that can be used again as raw material for polyester.

The commercial benefits of the manufacturing process will save the textile industry millions of dollars every year as it weans its dependence away from the hydrocarbon industry.

Blossom Trading is an entrepreneur with a dynamic and creative driving force coupled with his vision and rich experience of over 25 years in the textile business. They specialise in catering textile fabrics for the Arab male community, importing kandoora fabrics mostly from Japan, Korea, Indonesia, Thailand, India and China. They are one of the largest importers of Dishdasha/Kandoora materials from Japan and cater primarily to the United Arab Emirates, Oman, Qatar, Bahrain, Saudi Arabia, Iraq & Yemen markets.

Blossom Trading's path to long-term success is a direct result of a heritage of hard work, integrity, and gratitude. They believe that the best way to ensure profitability and customer satisfaction is by putting people and principles first. They also embrace corporate social responsibility and strive to attain the best product quality whilst firmly believing in continuous improvement of their production processes.

By investing in innovative and environmentally friendly technologies at all stages of production, Blossom has significantly improved both its efficiency and its competence.

Source: gulftoday.ae- Apr 09, 2019

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Turkey, Russia seek new ways to reach $100B in bilateral trade

Turkey and Russia are exploring new ways to push their current $26 billion bilateral trade figure to $100 billion. In order to accomplish that target, the two countries are looking to diversify the areas for commercial cooperation by expanding the range of traded goods. The issue dominated the agenda of the 8th High-Level Cooperation Council meeting held Monday in the Russian capital Moscow.

The meeting was attended by President Recep Tayyip Erdoğan and Russian President Vladimir Putin. In his address at the meeting, President Erdoğan said the trade volume between the two countries grew 15 percent last year to hit $26 billion. He said that Turkey and Russia have already set a goal to raise bilateral trade volume to $100 billion and added that they were now focusing on new goals for the upcoming period. The president also pointed out the importance of economic relations between the two countries.

"Since the 1990s, economic cooperation has been the pillar of the bilateral rapport between our countries," he said. Erdoğan confirmed that Turkey and Russia will sign three documents, which will be a step forward for the future of both countries. Besides increasing bilateral trade, Turkey hosted millions of Russian tourists last year. "We set a record last year by hosting 6 million Russian tourists," Erdoğan said.

Russia was the top market for Turkey's tourism sector with 5.96 million visitors last year; some 15.1 percent of all foreign visitors to Turkey. The country welcomed a total of 39.5 million foreign visitors in 2018, a 21.84 percent increase year-on-year, according to the Culture and Tourism Ministry.

President Putin, on the other hand, said the two countries agreed to improve ties in line with their enhanced cooperation framework. Russia and Turkey could expand their bilateral trade by removing the restrictions that are still in force in that area, Putin told the meeting, according to the Russian news agency, TASS.

"I believe the expansion of trade could be facilitated by abolishing the current restrictions in this area and by diversifying the goods supply," Russian President Putin said.
Putin added that the volume of Turkish-Russian investments has reached $20 billion. Elaborating on bilateral economic cooperation, the Russian president said the trade turnover was up 15 percent to $25 billion last year.

President Erdoğan, meanwhile, provided a detailed account of Turkish investments in the country, noting that around 1,300 Turkish businessmen were investing in Russia. "Turkish entrepreneurs are operating in almost every sector in Russia. Nearly 1,500 businessmen, with investments worth $10 billion, are creating employment and contributing to the wealth of the Russian people," Erdoğan said. Turkish contractors have so far undertaken 1,961 projects worth $73 billion, he added.

"I have instructed Turkish ministers to facilitate Russian investments in Turkey and we expect the same for Turkish investors operating in Russia," he said, expressing his belief that the Russian government will provide more support to Turkish entrepreneurs. Erdoğan particularly underscored the necessity to ease customs procedures for Turkish truck drivers and agricultural exports. President Erdoğan also noted that the steps for the visa liberalization will be taken shortly.

On the visa regime, The Russian president also noted that the visa requirement for Turkish truck drivers will be cancelled in near future.

Putin also underscored the growing cultural ties between Turkish and Russian citizens with the tourism cooperation. Turkey and Russia declared 2019 as a cross-year of culture and tourism to promote bilateral culture and tourism. The opening ceremony of the cross-year of Turkey-Russia Culture and Tourism was held yesterday with the performance of "Troy" by the Ankara State Opera and Ballet at the Bolshoi Theater.

"I am sure that the cross-year of culture, which opens at today's ceremony at the Bolshoi Theater, will contribute to the expansion of human exchanges," the Russian president said while explaining the expansion of cultural and tourism ties between the two countries.

Click here for more details

Source: dailysabah.com- April 09, 2019

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China Trade Week to boost investment with African countries

China has opened its market to accommodate African commodities to bolster their international relations.

The third edition of the China Trade Week (CTW), a "One Belt, One Road" initiative inspired event will take place in Ethiopia from May 2 to 4 at the Millennium Hall in Addis Ababa.

MIE Groups, the founder of the conference will host the three-day event in collaboration with the Ethiopian Prana Events.

Established in 2013, China Trade Week had its first event in the United Arab Emirates (UAE) which was warmly welcomed by the local business community, it was followed by the first African event in Kenya in 2015 which had an even bigger response. It later debuted in Ethiopia in 2017.

The trade fair seeks to pull over 100 investors and exhibitors from sectors including construction materials and machinery, lighting and energy, clothing and textiles, electrical goods and electronics, automotive parts and accessories, health and beauty, print, packaging and plastic, baby and infant products and food and beverage.

Commenting on the trade fair, Zahoor Ahmed, Director International Events, MIE Groups said, “We look forward to welcoming thousands of professionals to this year’s CTW Ethiopia, at a time when the country is going through significant positive economic and regional changes.”

The Ethiopian Chamber of Commerce & Sectorial Associations Secretary-General, Africa Zeleke added, “The chamber decided to partner with this trade fare as China remains the biggest market for many Ethiopian goods exported.

This includes 70 per cent of our sesame. Also, the majority of our goods are imported from China and we want to narrow the gap of the trade imbalance by attracting FDI and helping technology transfer for our business.”

China has played a crucial role in Ethiopia’s economic development.

There are over 400 Chinese investments valued at over $4 billion that are active in Ethiopia that have created more than 100,000 jobs as of 2018.

Source: exchange.co.tz - April 09, 2019

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Chemicals top EU notifications for product risk

Hazardous chemicals in products, such as toys and cosmetics, have become the biggest risk to health and safety on the EU and EEA market.

Risks related to chemicals comprised 25% of all notifications last year, according to a European Commission report on the EU's Safety Gate rapid alert system for dangerous products – formerly known as Rapex. This was up three percentage points on the 2017 notifications.

Injury from use of a product received the same level of notifications as chemicals in products in 2018, at 25%. In total, there were some 637 alerts about chemicals in products. Chemicals represented the most common risk notified in:

- Croatia;
- Czech Republic;
- Denmark;
- Estonia;
- Ireland;
- Italy;
- Luxembourg;
- the Netherlands;
- Norway;
- Poland;
- Slovakia; and
- Sweden

The Commission's latest report does not include a breakdown of which notified products contained hazardous chemicals. The five most notified products were:

- toys (31%);
- motor vehicles (19%);
- **clothing, textiles, and fashion items (10%);**
- electrical appliances and equipment (8%); and
- cosmetics (7%).

The number of notifications grew from 2,201 in 2017 to 2,257 alerts last year.

The largest number of total Rapex notifications came from Germany with 362 alerts, France with 249 and Hungary with 172 alerts. China remained the number one product country of origin, accounting for 52% of notifications.

Cooperation with Chinese authorities in the product safety field continues to be a priority, the Commission said, but the results are "mixed". Its awareness raising about product safety rules that need to be met when selling to EU consumers is ongoing.

Follow-up actions

National authorities have an obligation to follow up on the information circulated in Rapex. If they find the same product on their own market, they should take measures and send this information through the system so it is also circulated.

They carried out 4,050 follow ups in 2018. Motor vehicles were the subject of the most of these with 77%, toys comprised 7% and other product categories 16%. Of the latter, 2% comprised childcare articles and children's equipment, as well as clothing, textiles and fashion items. Electrical appliances and equipment accounted for only 1%.

While in the risk categories, chemicals only comprised 9% of follow ups.

Reform

The latest figures show that national authorities are not managing to stop unsafe products from reaching consumers, European consumer organisation Beuc said. Its director general Monique Goyens urged the European Parliament to "swiftly approve" a Commission proposal for improvements to market surveillance activities, which Beuc said was "fragmented, underfunded and patchy".

The reform, due to be voted by Parliament in a plenary session on 15-19 April, could revamp the situation from 2021, it said. If adopted, member states should be able to improve their efforts to weed out unsafe products from the market.

Under the proposals, an EU-wide network would be set up to coordinate joint enforcement actions, and the performance of individual countries would come under peer review, Beuc said. The existing central database would be expanded to include information about accidents and injuries caused by products.

In 2017 and 2016, hazardous chemicals in products were the second biggest risk to health and safety on the EU and EEA market.

Source: chemicalwatch.com - April 09, 2019

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Illegal yarn imports hurt Bangladesh industry

Bangladesh textile manufacturers are losing business due to illegal yarn and fabrics imports and the misuse of bonded warehouse facility. Huge quantities of dresses including saris, three-pieces and other shirting clothes are entering Bangladesh illegally through border markets from neighboring countries.

Spinning and weaving mills are sitting on stockpiles of yarn due to lack of demand. Operations in more than 40 per cent of the spinning and weaving mills have remained suspended. High interest rate of bank loans and increased price of gas are also cutting the competitiveness of the sector.

Falling yarn prices have hit spinners in Bangladesh. The country has a target of reaching $50 billion in textile exports by 2021. The size of the domestic fabric market is seven to eight billion meters.

Local producers can supply only three to four billion meters and the rest of the demand is met by smuggled fabrics and bonded warehouse fabrics. Some businesses import 80 and 60 counts yarn, declaring those as 30 counts of yarn. Some businesses are said to be importing yarns and fabrics under the bonded warehouse facility and later on selling the duty-free items in the open market at low prices.

Source: fashionatingworld.com- April 09, 2019

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NATIONAL NEWS

CAI trims cotton crop size to 321 lakh bales, lowest since 2009-10

At ₹47,000 a candy, traders see more fuel for a rally in prices

The Cotton Association of India (CAI) has further trimmed the crop estimate for the fibre crop to 321 lakh bales (170 kg each), about 7 lakh bales lower than its previous month's estimate.

The crop is seen likely to be the lowest since the 305 lakh bales recorded in 2009-10 (as per Cotton Advisory Board estimates).

Cotton crop estimates

Key growing States	As of March 2018*	2019*	% change
Gujarat	105	82.5	-21
Maharashtra	83	76.2	-8
Telangana	51.5	39	-24
Haryana	23.6	25	6
Rajasthan	23.4	25	7
Karnataka	18.75	14.25	-24
Madhya Pradesh	21.5	24.25	13
All over India	**365**	**321**	**-12**

*In lakh bales of 170 kg each (Source: CAI)

The crop estimate shows an about 12 per cent dip from the previous year, attributed to a sharp decline in crop size in the key growing States of Telangana and Karnataka (-24 per cent each), Gujarat (-21 per cent) and Maharashtra (-8 per cent).

"The main reason for the reduction is the water scarcity in some States, and the fact that farmers uprooted their cotton plants in 70-80 per cent of the area without waiting for third and fourth pickings," said CAI President Atul Ganatra after the association's Crop Committee Meeting.

Decline in exports

The CAI has estimated cotton exports for the season (October 2018-September 2019) at 47 lakh bales, against last year's estimated 69 lakh bales. This dip is attributed to the higher prices and smaller crop size of Indian cotton.

The imports this year are likely to be higher at 27 lakh bales, against last year's estimated 15 lakh bales. "Indian mills have to compulsorily resort to imports to continue running their day-to-day operations," Ganatra observed following the reduced crop estimate.

Domestic consumption of the fibre is estimated at 316 lakh bales for the season, of which CAI has estimated supply till March 2019 at 290 lakh bales. Of this, about 158 lakh bales are pegged for domestic consumption, 39 lakh for exports and about 93 lakh bales for overall stock with textile mills, Cotton Corporation of India (CCI) and multinational companies.

The CAI has estimated a closing stock of 13 lakh bales at the end of the season in September 2019, following a tight cotton balance sheet.

Prices on the rise

Prices are already headed north, with spot prices quoting at ₹6,500 in north Gujarat's Kadi market on Tuesday, near a record high. Ginned cotton prices have crossed ₹45,500 a candy (356 kg each), which is an increase of about ₹4,000 a candy within just a month.

However, there were contrasting views from ginners in Saurashtra. Arvind Patel, a leading ginner from Shapar near Rajkot, said the crop will hover around 340 lakh bales for the year with farmers holding about 15 per cent of the crop.

"There will be better crop than what is being projected. But even if the crop hovers around 340 lakh bales, we still believe cotton prices will remain firm beyond ₹47,000.

The rally in prices can be attributed to higher futures prices in the New York markets," he remarked.

In the international markets, cotton quoted at 79 cents per pound for May ICE futures, which represents a rise of about 3 cents over a fortnight. In the cash segment, ICE cotton quoted at 74.4 cents a pound, against 72.08 cents a fortnight back.

Source: thehindubusinessline.com- Apr 10, 2019

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Cottonseed prices gain 25%, making cattlefeed costlier

A sustained rally in cotton prices following weak crop prospects has started getting reflected in cottonseed prices as well, making cattlefeed (cottonseed cake) and edible oil (cottonseed oil) costlier.

According to ginners, cotton seed prices have jumped about 25 per cent within a month's time — from ₹2,400 a quintal in March to ₹3,000 now.

"We typically see cottonseed prices rising near the end of the season, around July. But this time, the prices have started going up now and may further go up, making cattlefeed and cottonseed oil costlier," said Bachubhai Antrolia, a ginner in Manavadar, Junagadh district. After the ginning process, cotton fibre is separated from the seed and the seed is then processed to make cake and oil. Cottonseed yields about 85 per cent cattlefeed or cake and about 15 per cent oil.

According to Antrolia, a sharp increase in cotton prices has resulted in despair among industry players, and the units have had to trim their operations to about 30 per cent of the actual capacity.

"If cattlefeed prices go beyond the reach of farmers, they will switch to alternative feeds such as maize. But for cottonseed oil, the prices may not fluctuate much and remain in the range of other vegetable oils such as palm oil," said Antrolia.

Source: thehindubusinessline.com- Apr 10, 2019

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Job crisis? MSMEs expected to create 1 crore jobs in 5 years, says report

Even as the government has been under severe criticism over the alleged job crisis, it is India's micro, small and medium enterprises (MSMEs) that holds the key to near future job generation. MSMEs are expected to create around 1 crore jobs in the coming four-five years.

While rising the middle class and the disposable income makes India an attractive market for consumption, a substantial portion of that is consumed by imports that hinders job creation ability by the domestic manufacturing sector, said a report by consulting firm Nomura Research Institute.

The product groups manufactured in various clusters including artificial Jewellery, sports goods, scientific instruments, metal utensils, machine equipment like textile machinery, electric fans, rubber, plastic, leather & related products, bicycle parts and auto components, textile, wood, paper, food, minerals etc., suggests that high focus on developing MSMEs in these groups can create an additional 75 lakh – 1 crore jobs in the next four-five years through partial substitution of imports, the report said.

"To scale-up, the MSME sector needs a market-oriented strategy based on two key areas of demand led manufacturing and advocacy marketing of the products," said Ashim Sharma, Partner & Group Head at NRI Consulting & Solutions.

To change the perception about products manufactured by MSMEs since traditional industries lose out on imports perceiving them to be cheap, and poor quality, the report called for identifying influencers in B2B and B2C segments to help develop a positive perception about the products.

These people should be made to experience the products as well as given an overview of the changes brought about in their design and manufacturing (wherever necessary) to make them in sync with the modern customer's demands. If satisfied with the products, they would act like brand ambassadors for the MSME produce, the report said.

India's MSME sector contributes to around 3.6 crores (70 per cent) jobs in the manufacturing sector, as per the Ministry of MSME's annual report 2017-18.

Source: financialexpress.com - Apr 09, 2019

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Market forces ultimately affect the Global Value Chain and also the supplies: Expert

There is a tremendous alignment between buyer and sellers primarily led by the market forces. So, the market forces ultimately affect the global value chain and also the supplies, said Secretary General of Federation of Indian Micro, Small and Medium Enterprises (FISME) Anil Bhardwaj.

He said this while addressing a gathering today on during Inception Meeting here organized by Responsible Business (C4RB) to discuss outline and receive views to take forward its agenda of the project PROGRESS launched by it to look at Global Value Chains and their implication on specific Sustainable Development Goals (SDGs) in India.

It was organized by CRB and Aston Business School to research on how global value chains and factors involved in those global value chains can contribute to SDGs.

Bhardwaj said, "As far as India is concerned the textile, pharmaceutical, apparel, agro processing and gems and jewelry are major sectors where we have implemented global value chains."

Largest skill development trainings are organized focused on textile and apparel sector and most of these programs are standardized and their usefulness is beyond factory walls, he added.

Source: knnindia.co.in- Apr 09, 2019

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Farmers rejoice as cotton prices cross Rs 6,400/quintal mark

The cotton growing farmers in the region are heaving a sigh of relief in the current season as they are getting good return on the crop. The farmers, who are known for incurring heavy losses every now and then, are now enjoying the prevailing market conditions and selling cotton at never before price levels. It is for the first time that the seed cotton prices have crossed the Rs 6,400 per quintal mark in the markets eventually bringing smiles on the faces of the farmers.

The cotton growing farmers in the region have been facing the wrath of nature for quite long. Additionally, on many occasions, the market conditions had also given sleepless nights to them that had subsequently led to farmers suicide.

But the current season is proving very beneficial for them, especially those who sold the crop at the end of the season. When the cotton season began in November 2018, the prices were quoted in the range of Rs 5,450 to Rs 6,000 per quintal. It was considered satisfactory level for the farmers.

However, in January - February (2019), the market conditions changed dramatically and seed cotton prices fell to a level of Rs 5,250 to Rs 5,300 per quintal. But the prices swell once again at the end of the season to touch all-time high.

About 15 per cent of the cotton farmers were holding the crop hoping to change the market scenario and it happened in March end. “The market started reacting when it learnt that the cotton production has slipped in the country in the current season. As against the estimated figure of 330 lakh bales, the country could witness production of 310 lakh bales of cotton.

This is expected to create huge gap in demand and supply and thus the prices went up. It is good for the farmers of the region,” said one of the cotton dealers on a condition of anonymity. For the past few days, the cotton mills and processing units have been aggressively buying cotton from domestic and international markets. Sources told The Hitavada that about 5 lakh bales of cotton have been booked from international market.

They also said that the demand is likely to grow further in coming days and so are the prices. The demand for cotton in the current season is expected to increase cotton cultivation area in the next season. "When the farmers get good returns, they get motivated and go for cotton cultivation," said.

Vishal Purohit, Partner in Mulchand Kisangopal Cotton Broker. It is important to note that large number of the farmers in Vidarbha region cultivate cotton. But climatic conditions like deficient rainfall, hailstorms and drought like situations cause heavy loss to the crop.

Source: thehitavada.com- Apr 09, 2019

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Raymond launches Ecovera in collaboration with Reliance Industries

Raymond Group, a textile manufacturer and retailer, has launched Ecovera, an eco-friendly range of fabrics manufactured using R|Elan, a technology from Reliance Industries Ltd (RIL).

The Ecovera range will hit 1,500 stores across 700 cities soon, the company said in a statement.

"We as an organisation are known for innovations in manufacturing top quality fabrics using both natural and man-made fibres. In our endeavour to create eco-friendly, sustainable fabrics, R|Elan GreenGold is a perfect choice to produce fabrics that have multiple qualities with superior handle and lustre," Sudhanshu Pokhriyal, President, Textiles, at Raymond said.

It is made from R|Elan GreenGold, which is made by recycling PET bottles, using bio-fuels and energy-efficient processes. Raymond's Ecovera will redeem almost 1 million PET bottles from landfills, it added.

Source: thehindubusinessline.com- Apr 09, 2019

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