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The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

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SD 68.48| EUR 76.76 | GBP 85.30 | JPY 0.63

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
21148	44200	**82.15**

Domestic Futures Price (Ex. Warehouse Rajkot), July

Rs./Bale	Rs./Candy	USD Cent/lb
21060	44015	**81.81**

International Futures Price

NY ICE USD Cents/lb (December 2019)	63.28
ZCE Cotton: Yuan/MT (September 2019)	13,380
ZCE Cotton: USD Cents/lb	88.09
Cotlook A Index – Physical	**76.65**

Cotton Guide: As correctly predicted by us yesterday, the prices touched 63.50 cents/lb and even went further down to touch 63.07 cents/lb. We refer to the most active contract the ICE December contract. It settled lower at 63.28 cents/lb with a change of -236 points. This was coupled with higher volumes at 57,393 contracts. The volumes for the December contract alone were 40,713 contracts compared to the earlier figure of 18,034 contracts. The reason attributed to this decline was due to the Speculators selling. The crop conditions seemed to have improved in parallel to favourable weather conditions. No bullish news surfaced on the horizon. This was a ready reckoner for the specs to drive the market low. We expect the market to continue with this trend (range bound) till a certain strong bullish weave sweeps the entire market. For now the only bullish factor active is the higher price of crude oil. Oil prices have risen by around 1.5% as data shows bigger than expected fall in the US Stockpiles. The cotton bulls can thus piggy back on these prices of crude oil.

The MCX contracts on the other hand followed the bearish fall of ICE contracts. The most active MCX contract the MCX July contract settled at 21,060 Rs/Bale with a change of -190 Rs. The MCX August contract settled at 20,470 Rs/Bale with a change of -350 Rs. The contract for the new crop the MCX October contract settled at 20,150 Rs/Bale with a change of -210 Rs. The total volumes increased by 697 lots to 2854 lots.

The cotlook Index A was adjusted negatively at 76.65 cents/lb with a change of -1.20 cents/lb. The cotlook Index A 2019/2020 was also adjusted lower at 76.15 cents/lb with a change of -1.10 cents/lb. The prices of Shankar 6 are able to exchange hands at a lower price of 44,200 Rs/Candy.

Another factor indicating bearishness is the Weak futures at China's ZCE Exchange. The Most active ZCE September (CF909) contract settled at 13,380 much lower than anticipated. The enthusiasm and vivacity at the ZCE seems to have ebbed, with no real progress between US and China. The ZCE September contract decreased by 405 yuan, while the ZCE January contract declined by 410 Yuan, which has resulted in narrowing of the spread between the two months by 5 yuan, to 630 yuan (January being premium). The Total volumes increased around 55% (447,074 contracts) to 809,362 contracts.

The chances of a global recession also cannot be left out. Morgan Stanley and Goldman Sachs have downgraded stocks. Morgan Stanley has explicitly stated that it's time to sell stocks. With the fear of Global recession, the sword of Damocles hangs over majority of Europe which is currently having a sluggish economic growth. We need to note that in the time of recession the first industry to be hit is the textile industry as the consumers' spending towards finished textile products decreases thus reducing demand, consequently causing bearishness.

The release of the export sales data this week, can strengthen the bulls and thus drive the prices higher starting - Thursday evening. This can happen only if the export sales figures are exceptionally higher. Having said that, it is quite uncertain that the figures might turn out to be positive. We expect international ICE and MCX Prices to be weaker for today.

On the technical front, ICE Cotton futures continued to decline and breached the lower end of the channel support at 64 cents/lb. Meanwhile price is trading below the 5 and 9 day EMA, with bearish crossover of short term (5 DEMA) below (9 DEMA) along with weaker RSI which weighed over prices to test levels of 64 cents/lb. RSI in the daily charts is near 35, which may decline further towards the lower end of the range at 30. So in the near term resistance exists around 64.60 (5 DEMA), which may restrict price to move higher. As long as 64.60-65.00 zone resists price is expected to remain weaker till next support at 62.35 levels. Only a close above 68.00-68.60 would negate the bearish bias. The trading range for MCX presumably would be 20750-21270 Rs/Bale.

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

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INTERNATIONAL NEWS

USA: Cotton's Crash Looks Set to Deepen as Stockpiles Keep Growing

Cotton is in the grips of the bears, and fresh U.S. supply forecasts coming this week will probably keep it there.

Prices tumbled to a three-year low Tuesday amid the outlook for big supplies at a time when consumption growth is slowing and American exports are hurting. Hedge funds are holding their biggest-ever bet that the declines will continue. Meanwhile, traders and analysts expect that the U.S. Department of Agriculture will raise its outlook for domestic stockpiles, with the hoard forecast to reach a 12-year high.

	SURVEY RESULTS			USDA
2019-20:	AVG	LOW	HIGH	JUNE
US Production	21.86	21.50	22.30	22.00
US Exports	16.96	16.50	17.50	17.00
US End Stocks	6.53	6.10	6.95	6.40
World Production	125.58	124.75	127.50	125.32
World Consumption	125.25	124.00	126.00	125.27
World End Stocks	77.38	76.50	78.50	77.26

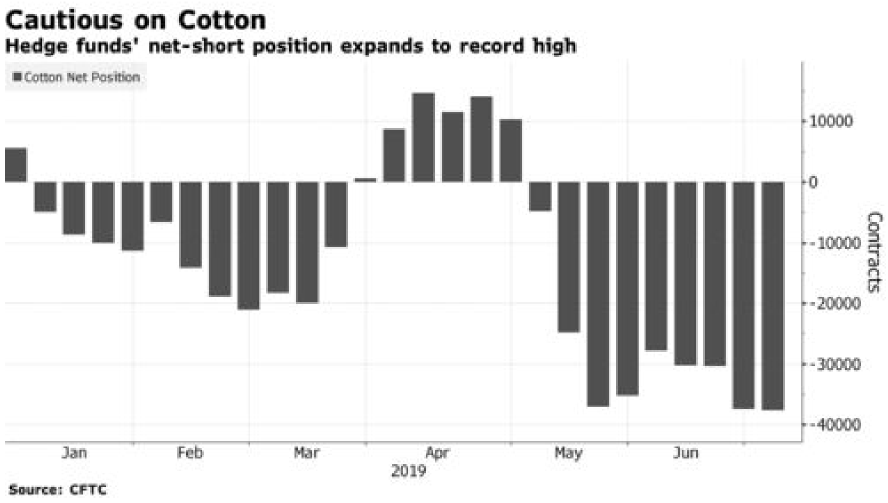
- Figures are in millions of bales; A bale weighs 480 pounds, or 218 kilograms

Cotton is down 26% in the past 12 months, making it the worst performer in the Bloomberg Commodity Index, which tracks returns for 22 components. Sentiment has only gotten more bearish in recent weeks amid improving American crop conditions and slow progress in trade negotiations between the U.S. and China, the world's biggest consumer of the fiber.

"Right now, being short is the way to go," said Jack Scoville, vice president of Price Futures Group.

The USDA is scheduled to issue its monthly World Agricultural Supply and Demand Estimates report on July 11.

The agency is expected to boost its estimate for world production for the season that begins Aug. 1, while lowering global consumption slightly and cutting the estimate for U.S. exports, according to the average forecasts of as many as eight analysts in a Bloomberg survey.



There's a chance the market could get even more dire as beneficial weather boosts the outlook for the U.S. harvest. In the week ending July 7, 54% of the crop was rated good or excellent, up from 52% a week earlier and 41% last season, the USDA said Monday. Texas, the largest U.S. producer, and the far southern parts of the Delta got a boost from rain.

Cotton futures for December delivery fell 3.6% to 63.28 cents a pound Tuesday on ICE Futures U.S. in New York, the lowest close for a most-active contract since June 2, 2016.

The price fell for a fourth straight session, the longest slump in a month. In the week ended July 2, hedge funds increased net-bearish cotton bets to a record 37,665 futures and options contracts, U.S. government data showed Monday.

World demand "is apparently slowing," Louis Rose, director of research & analysis at Rose Commodity Group, said in a phone interview. "I don't believe there's a lot of optimism regarding the U.S.-China trade talks."

Source: bloomberg.com- July 09, 2019

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Asian nations may gain as US threatens additional tariffs

Several Asian nations may gain in the US clothing market if the threat to impose additional tariffs on Chinese clothing imports is carried out, says a report by global business information firm Textiles Intelligence. If additional tariffs are imposed, the landed prices of imports from Chinese suppliers will rise, negatively affecting imports from there.

Suppliers in China have been under pressure in recent years to reduce their prices in order to maintain order volumes.

Also set to benefit are the industries in Bangladesh, Cambodia, Indonesia and Sri Lanka, despite the fact that US imports from each of these four countries have either stalled or declined in recent years, says a report in issue 42 of 'Global Apparel Markets' by the company.

'Global Apparel Markets' is published four times a year by Textiles Intelligence. Each issue provides an independent and worldwide perspective on the global textile industry.

The United States has started the legal process necessary to impose additional tariffs on virtually all remaining imports from China, including clothing, after it imposed additional tariffs on $200 billion worth of imports from China in May 2019.

As a result, the switch in sourcing away from China which has been apparent in recent years will accelerate, and other major supplying countries in Asia, especially India and Vietnam, are likely to make gains.

In South and Central America, however, suppliers in El Salvador, Honduras and Mexico are likely to continue to struggle to maintain orders.

To offset any decline in US clothing imports from China, and maintain production levels, Chinese producers may set up outward processing arrangements (OPAs) with their counterparts in other Asian countries so that the operations which determine a garment's origin, such as sewing, are performed in other countries while operations which do not affect a garment's origin, such as minor sewing, finishing and packaging, are carried out in China, says the report.

Garments manufactured in this way would be deemed to have originated in other Asian countries, rather than China, and as a result they would not be subject to additional tariffs, a press release from the company added.

Source: fibre2fashion.com- July 09, 2019

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Trade war taking a toll on China's plans

Even as China presses ahead with BRI, US companies situated there are trying to move out their operations

It's a small town in the middle of nowhere in Kazakhstan but it could one day be China's gateway to Central Asia. Scores of cranes are in action and hundreds of workers are working feverishly to turn the Khorgos Eastern Gates Special Economic Zone on the Kazakh-China border into a dry port and logistics hub that will help take Chinese goods to remoter corners of this region and also all the way to Europe. So far, however, business has been slower than the Chinese would like and there aren't any signs it's about to pick up.

China's Belt and Road Initiative was conceived as a visionary plan that would turbocharge economic growth across Asia and even Africa and parts of Europe while ensuring all roads led to Beijing or some other Chinese city. But though the Belt and Road Summit in April gathered a larger crowd than before, there's no mistaking the fact the sheen has slightly gone off the giant enterprise.

China is in, what it calls, a "fight-to-the-end" trade battle with Donald Trump who is determined to maintain US global superiority, seeking to demonstrate that companies like Huawei and ZTE may be giants around the world but they can't get anywhere without US software and components. Under the circumstances the Belt and Road must take second place to ensuring China's own economic survival.

Take a look at Pakistan where the MOUs for 17 power projects out of a total of 21 have been signed and one SEZ is scheduled to be inaugurated later this month. The Rashakai Industrial Zone on the Nowshera-Mardan Road will have around 20 factories when it first opens though the Pakistanis hope the

Chinese will ensure that industrial ventures kick-off right away. The SEZ will focus on textiles and food processing. Pakistan aimed to have seven China-backed SEZs under way in the next two years but it's facing land acquisition and other problems that are stalling progress.

Pakistan generates some 25,000 MW of electricity during the good months and new CPEC projects will soon take that up to about 33,000 MW. But it's not clear whether the power projects and SEZs can kick-start Pakistan's economy.

Pakistan will also have to start making repayments for the CPEC projects from next year. What's looking less likely than ever before is that the CPEC projects will be a silver bullet that will solve Pakistan's economic woes.

When details of the CPEC first appeared in the Pakistani press it looked as if the country was about to be turned into a Chinese colony. The ambitious blueprint mentioned investments in agriculture and the creation of tourist hubs along the Pakistan coast. It was said that about $46 billion would be invested in Pakistan but only a fraction of that's happened yet.

Also, other doubts are emerging such as why Pakistan is building a string of thermal power plants when the world — including China and even India — is turning to renewable energy.

But even as China is determined to push ahead with its Belt and Road Initiative, it has far greater difficulties to grapple with. China's economic miracle was built on US and other companies making a Great Trek to China and manufacturing all their hardware there.

Now, these companies are, understandably, looking at taking large chunks of production out of China. The list of companies includes many of the tech world's biggest giants from Apple to Dell and HP. Other tech stars voting with their feet include Google, which has moved production of motherboards for its games consoles to Taiwan, and Amazon. In response, the Chinese are offering to reduce the number of sectors with foreign investment curbs.

Even local giants like Tencent, Baidu and JD.com have slowed down on hiring as have others like Huawei which is facing headwinds for obvious reasons. Ride-hailing giant Didi Chuxing slashed around 2,000 jobs early in the year. One estimate is that hiring in the tech sector is down by around 25 per cent from 2018. This had already begun before Trump declared a trade war on China but that certainly hasn't helped the situation.

It's true that even before the trade war many companies had started looking for new production bases because costs were going up steeply in China. Still, the trade war has speeded up the potential exodus considerably. Top Asian economists reckon China's growth will come in at 6.2 per cent this quarter. Most of the China-focussed economists predict a trade deal will be struck by the year-end but say that if it isn't, China's growth might dive to around 5 per cent. China's local Caixin Purchasing Manager's Index also indicates factory activity is down to a three-year low.

Across Asia

The trade war is also having a knock-on effect all over Asia with slowdowns taking place in Japan and South Korea. In South Korea, exports and manufacturing have dropped steeply and growth fell to 0.4 per cent in the first quarter. Profits are down sharply at the country's Big Three — Samsung, LG and Hyundai — and a trade dispute with Japan isn't helping. The Japanese have imposed restrictions on components vital for South Korea's hi-tech sector. Japan is said to be annoyed by a Korean court ruling that top Japanese firms should pay reparations for the 1910-1945 era when Japan ruled Korea and had many Koreans working as forced labourers.

Across in Vietnam, a different game is being played out. Vietnam had been a big winner in the last year with many companies looking at it as a manufacturing hub alternative to China. But Vietnam runs a $42-billion trade surplus with the US and that's suddenly brought the country into President Donald Trump's sights.

Amazingly, for all these countries, one great truth remains. Their economies depend heavily on the US market. Any sign of a slowdown in the US can pull down markets across Asia. Our modern world is all about interdependence, but Trump doesn't even begin to understand that. For him trade is a zero-sum game, and if one country's up, the other's down. He may find out differently in the next year, but by then it will be too late for the entire world.

Source: thehindubusinessline.com- July 09, 2019

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The US Sewn Products Industry Faces Sizable Labor Shortage

The sewn products sector is struggling where labor is concerned.

As evidence of this fact, there's a man in Texas who is alleged to be the only person within a 200-mile radius with the skills needed to repair sewn product manufacturing equipment. Just by listening to a machine, he's able to identify the problem and offer a solution, and he can be at your factory sometime between next Tuesday and two months from now. He is a regional prodigy.

He also represents the decline in local resources and a need for skilled labor.

Understanding this decline starts by looking at the change in late 20th century consumer trends. In the 1960s, the average household spent more than 10 percent of their annual income on apparel goods. This total represented a low number of high-quality goods, 95 percent of which were manufactured and sold in the United States. By the 1980s and '90s, the pendulum swung, and the desire for high-quality products was trumped by a need for more—more clothes, more shoes, more things—at a lower cost.

As companies vowed to keep up with consumer demand, they sought larger volume at smaller margins. Mass production and offshoring were popularized, and the U.S. sewn products manufacturing industry experienced a substantial blow as engineering, operating and mechanical jobs were moved overseas.

The past 30 years continued to see a downward trajectory for domestic manufacturing in the apparel and sewn products industry, and by 2010 only 2 percent of the world's apparel was made in the United States. And thus we reacquaint ourselves with the story of one man in Texas.

But before we yield entirely to the stronghold of offshore manufacturing, there's a promising light on the horizon.

Within the next year, the millennial generation will surpass the boomer generation in size, representing one of the most powerful consumer segments and an ever-growing portion of the workforce. As the millennial generation ages, we're seeing the quantity versus quality pendulum swing once more.

Millennials are trading in lower-priced, mass-produced goods for higher-quality, ethically-produced items. They seek knowledge on where and how their products are made, and who is making them. They appreciate the high standards of domestic manufacturing and the added value of domestic job growth, appealing to both sides of the political aisle.

The demand for reshoring represents a unique opportunity for workforce development in our industry. As companies grow domestically, so too will their need for skilled labor, expanding the U.S. job market and opening the door for a stronger U.S. economy. But getting there will take time.

When the industry packed its bags and moved abroad years ago, it left behind the notion that a career in domestic manufacturing was a thing of the past. As years went by, a generational gap in skillsets grew. Training programs and technical education diminished and a career in manufacturing came with a tarnished reputation. The introduction of automation, though effective, presented another challenge as machines began to replace people along the assembly line.

Though these roadblocks exist, they don't diminish the need for hands-on, technical support. Recognizing the opportunities, the sewn products industry has made it its mission to improve workforce development efforts stateside.

In March, fellow association SEAMS, the Association and Voice of the U.S. Sewn Products Industry, which leads the charge for Made in America initiatives, issued a two-part series on workforce development training, listing a number of companies and resources engaged in the initiative.

SEAMS also introduced a new award, alongside the Reshoring Initiative, to commend the works of companies making strides to bring jobs back to the United States. Local North Carolina technical colleges, including Catawba Valley and Gaston College, have also invested in new resources and jobs programs with the goal of training the next generation's workforce and shifting perceptions about technical careers.

As with anything, balance is key. Maintaining a global footprint is imperative for many suppliers to the industry, but recognizing the value of domestic operations is just as important. This is not one company's calling. This is a plea to the entire industry. Real change starts with grassroots efforts, an investment in infrastructure, and both federal and state incentives. It has to be an ecosystem that works together if we are to build the next generation's workforce.

Source: sourcingjournal.com- July 09, 2019

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Turkish, US firms to meet in Istanbul in July

Thirty eight top executives from 12 US companies in the fields of textile, energy, defence, security and finance will meet representatives from Turkish firms in Istanbul this month.

The US delegation led by former US secretary of the interior Ryan Zinke will discuss joint investment and cooperation with Turkish counterparts with focus on joint production.

US companies investing in energy, textile technologies, cyber and physical security technologies will sign contractual agreements with their Turkish peers supporting investment, joint ventures and sectoral growth within the scope of the US-Turkey Business Roundtable CEOs meeting, to be held in Istanbul on July 23-24, according to Ugur Terzioglu, head of the American Turkish Business Development Council (ATBDC).

The target of $75 billion in trade volume between the two countries set by President Recep Tayyip Erdogan and President Donald Trump, was raised to $100 billion at the last meeting of the two leaders.

The US companies include COX Oil, an oil and gas company, and 7th Generation, a textile and fibre recycling technology company, according to a Turkish newspaper report.

Source: fibre2fashion.com- July 09, 2019

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Iran: 'Boosting garments output, exports on current year's agenda'

The chairman of Iran's Union of Garments Manufacturers and Sellers said that boosting garment output and exports is a top agenda of their activities in the current Iranian calendar year (began on March 21, 2019).

In an interview by Tasnim news agency, Abolqasem Shirazi also announced about exports of garments to Afghanistan, Iraq, Russia and Yemen.

Increasing non-oil exports to the neighboring countries is one of the major plans that Iranian government is pursuing in the current year.

Iran shares border with fifteen countries, namely the United Arab Emirates, Iraq, Turkey, Afghanistan, Pakistan, Russia, Oman, Azerbaijan, Turkmenistan, Kuwait, Qatar, Kazakhstan, Armenia, Bahrain, and Saudi Arabia.

Based on the data published by Trade Promotion Organization (TPO), the value of trade with the neighboring countries stood at over $36.5 billion in the past Iranian calendar year, that is about 41 percent of the country's total non-oil trade in the mentioned time span.

Iran plans to launch 15 mega export projects to identify more target markets, according to TPO head.

Mohammadreza Modoudi said with the implementation of these projects, which mainly focus on the markets of neighboring countries, identifying professional trade and promoting export of non-oil commodities will be put on agenda, Mehr news agency reported.

Also on June 24, Sadeq Najafi, the senior advisor to Iran's industry, mining and trade minister, said the ministry has planned that the annual export of commodities and services to Iran's 15 neighbor countries will reach $32 billion in the current Iranian calendar year.

Making the remarks in a meeting with the members of Iran's Free Trade Zone Fraction, the official mentioned supporting exports by the production units as another plan of the ministry in this year which is named the Year of Pickup in Production.

In mid-April, Iranian industry, mining and trade minister said the country plans to double its exports to the neighboring countries by the Iranian calendar year of 1400 (which starts in March 2021).

Mentioning the fact that only two percent of the total imports of Iran's neighbors comes from the Islamic country, Reza Rahmani noted that his ministry is going to focus on developing domestic production and defining new projects to manufacture all the industrial equipment needed inside the country.
The official further pointed to some of the potent areas which could be worked on in order to increase exports including home appliances, apparel industry, petrochemicals, and marine industries, basic metals such as steel, aluminum and copper as well as agriculture.

Domestic units meet 70-80 percent of garment need

According to the chairman of Iran's Union of Garments Manufacturers and Sellers, domestic units are supplying 70-80 percent of the requirement for clothing inside the country.

Shirazi said, "After the ban imposed on the imports of clothing, domestic units are taking all endeavors to boost the quality and quantity of their products in a way that we saw no shortage in clothing market before the new year holiday (early March)."

He also mentioned seriously combatting with smuggling in garment market.

The current Iranian calendar year of 1398 is named as the year of "Pickup in Production" by Leader of the Islamic Revolution Ayatollah Seyed Ali Khamenei.

The realization of this motto toward Iran's self-reliance is in fact the only way to tackle the U.S. cruel sanctions on Iran's economy.

Last week, deputy minister of industry, mining and trade announced that the ministry will launch a comprehensive system for registration of domestically-made products in near future.

Farshad Moqimi said this transparent mechanism will lay the ground for introducing different industries and industrial capabilities aiming to strengthen domestic production, IRIB reported.

Source: tehrantimes.com- July 09, 2019

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S. Korea, Malaysia to hold first round of FTA talks this week to boost trade

South Korea plans to hold the first round of negotiations on the bilateral free trade agreement (FTA) with Malaysia this week as part of efforts to strengthen economic ties with the Southeast Asian country and boost trade, Yonhap news agency reported, quoting the Trade Ministry today.

The two countries will hold the FTA talks in Kuala Lumpur tomorrow, according to the Ministry of Trade, Industry and Energy.

The meeting comes three months after the leaders of the two countries agreed to launch negotiations for a bilateral FTA during their summit in March.

Seoul and Kuala Lumpur plan to conclude the deal in time for South Korea's summit with the Association of Southeast Asian Nations (Asean) in November.

During this week's meeting, the two countries plan to set details on the schedule and ways to boost their bilateral trade. South Korea already has a free trade agreement with Asean, but Seoul is seeking to broaden economic ties with individual members through separate free trade deals.

Asia's fourth-largest economy has clinched FTAs with Vietnam and Singapore, and is currently in talks with Indonesia and the Philippines as well. If all the negotiations under way are successful, South Korea will have free trade deals with all five of its top Asean trading partners.

Source: malaymail.com- July 10, 2019

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Bangladeshi apparel makers vent concern over EU-Vietnam FTA

The EU signed the free-trade deal with Vietnam on June 30, paving the way for tariff reduction on 99 per cent of goods, traded between the bloc and the Southeast Asian country.

After a long three-and-a-half years of negotiation, the agreement was signed in Hanoi between EU Trade Commissioner Cecilia Malmstrom and Vietnam's Minister of Industry and Trade Tran Tuan Anh.

The trade deal of the EU, the first of its kind with a developing country in Asia, will be effective after approval of the European Parliament.

Local trade analysts said Bangladesh will face a serious blow, as its strong trade opponent Vietnam signed the FTA with the EU.

Almost 11 per cent of Vietnamese apparel exports to EU will get complete duty waiver at the time of enforcement of this agreement, said Rubana Huq, president of BGMEA.

Responding to a quarry, BGMEA president said 12.18 per cent share of Bangladesh’s apparel export to EU competes with Vietnam on these items.

These items (147 in number) will face stiff competition and the possibility of trade diversion is higher in this category, she said.

Within five years, 49 per cent of Vietnam’s and 62 per cent of Bangladesh’s total exports to EU will be competing directly. Apart from erosion of competitiveness and resulting trade diversion, this FTA may take a severe toll on the price level of the Bangladeshi manufacturers, Rubana Huq,said.

Bangladesh apparel exports have lost 3.64 per cent value in terms of price per unit during 2014-2018, whereas Vietnam’s price has gone up. With the gradual elimination of tariff on Vietnam’s exports the price competition will be more intense.

Currently, the EU is the largest RMG export destination of Bangladesh. If Vietnam, the country's one of the main competitors, gets zero tariff facility to the EU, Bangladesh's market share will shrink.

In 2018, Bangladesh exported a total of 19.32 billion dollar worth of garment to EU with a growth of 11.17 per cent compared to 2017. During the same year Vietnam exported a total of 3.92 billion dollar with an annual growth of 9.74 per cent.

Vietnam is currently is the sixth largest apparel exporting country to EU (holding a share of 4 per cent of EU's import), whereas Bangladesh is the second (19 per cent of EU's total apparel imports). This wide gap in market occupancy is a clear threat for Bangladesh, Huq added.

Both parties will need to ratify the agreements and adopt legislative amendments for effective implementation of the FTA.

She also informed that Vietnam did not ratify two fundamental conventions of ILO include 87 – freedom of association and protection of the right to organize, and 105 – abolition of forced labor, whereas Bangladesh ratifying 7 out of 8 conventions (including 87 and 98) will be penalized by the enforcement of this FTA.

Vietnam has recently ratified ILO Convention 98 – right to organize and collective bargaining, and supposed to ratify ILO Convention 105 and 87 soon.

Source: theindependentbd.com- July 10, 2019

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NATIONAL NEWS

ASEAN Trade Ministers persuade India to speed up talks on RCEP

Will try and sort out differences with China, but industry concerns can't be ignored, says govt

Pressure is piling up on India from other members of the Regional Comprehensive Economic Partnership (RCEP), especially the ASEAN, to end its stalemate with China on market opening offered under the proposed pact.

Trade Ministers of Thailand and Indonesia and the Secretary-General of the 10-member ASEAN group met Commerce and Industry Minister Piyush Goyal in New Delhi on Tuesday to discuss ways to speed up the negotiations so that the pact is in place by the year-end, a government official told BusinessLine.

The RCEP, comprising 16 members, including the ASEAN, China, India, South Korea, Japan, Australia and New Zealand, was expected to be signed last year.

Things, however, got delayed for a number of reasons such as India's reluctance to offer substantial market access to China, disagreement between members over services offers and new governments in some countries like Malaysia.

Finding a way forward

"The troika from ASEAN countries that met Goyal was focussed on finding ways to move ahead in the negotiations so that the RCEP gets implemented in 2019.

The visitors were told that while India would do its best in fast-tracking its discussions with other members, including China, it couldn't ignore the interests of its industry," the official said.

The Indian manufacturing sector including steel, engineering goods and automobiles, in its discussion with the Commerce Ministry recently, demanded that India should not offer zero duties on more than 42 per cent of traded items to China as most domestic producers will not be able to handle the increased competition.

However, New Delhi has already tentatively offered to eliminate duties on 74 per cent items from China (and also New Zealand and Australia) as part of the RCEP deal.

What has brought things to a stand-still between India and China is Beijing's demand that New Delhi should eliminate duties on more than 90 per cent items from the country, as it is willing to do in case of the ASEAN, Japan and South Korea, and is not ready to accept a lower offer.

"There will possibly be discussions between Indian and Chinese officials in a bid to break the deadlock over market access prior to the next round of RCEP talks in China later in July and the meeting of Trade Ministers in the country early August," the official said.

China has already hinted that other members should go ahead with a mega trade pact if India continued to dilly-dally by proposing a free trade pact between ASEAN + 3 which includes China, South Korea and Japan.

New Delhi is hesitant about opting out of the RCEP pact because, if concluded, it would be the largest free trade bloc in the world accounting for 25 per cent of global GDP and 30 per cent of world trade, giving members huge opportunities to expand trade and investment within the region.

Source: thehindubusinessline.com- July 10, 2019

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A shot at economic logic

India needs to anticipate the promising impact of the African Continental Free Trade Area

The 12th Extra-Ordinary Summit of the African Union (AU) which concluded on July 8 at Niamey, the capital of the Niger Republic, saw 54 of 55 of its member states signing the African Continental Free Trade Agreement (AfCFTA) for goods and services.

Of these countries, 27 have already ratified it. Actual cross-border free trade could start by July 2020 with an elimination of custom duties on 90% of the tariff-lines. If taken to its logical conclusion, this audacious project would eventually create an African Common Market of 1.2 billion people and a GDP of over $3.4 billion — the metrics are comparable to India's. The AfCFTA would be world's largest FTA, and in a world dependent on African markets and commodities, it would have global impact.

Hurdles and optimism

However, there are three main reasons to be sceptical about the viability of the AfCFTA. First, the African Union (founded as the Organisation of African Unity in 1963) has been largely ineffective in dealing with the continent's myriad problems such as decolonisation, underdevelopment, Islamic terrorism and the Arab Spring.

The AU's grand plans, including the Muammar Qadhafi-funded Africa Unity project, have been spectacular flops. It is, therefore, natural to take the AfCFTA, the AU's most ambitious project so far, with a ladleful of salt. Second, serious political, organisational and logistical challenges to the AfCFTA notwithstanding, the national economies in Africa are generally weak with a low manufacturing base. They also lack competitiveness and mutual complementarity. Only a sixth of Africa's current total trade is within the continent.

Third, the AfCFTA seems to be countercyclical to the ongoing global protectionist trends as seen in the U.S.-China trade conflict, Brexit and the stalemates at the World Trade Organisation and the United Nations Conference on Trade and Development. World trade is likely to grow only by 2.6% in 2019, a quarter of last year's figure. Commodity prices are stagnant and globalisation is often being reversed. With Africa accounting for only 3% of global trade, can the AfCFTA defy the contrarian global tendencies?

Still, there are reasons to be cautiously optimistic. Given the strong global headwinds including a cooling Chinese ardour for Africa, greater collective self-reliance through African economic integration makes eminent sense. Further, the AfCFTA can build upon the experience of the continent's five regional economic blocks.

While the AU Commission is not famous for efficient planning, it has prepared an extensive road map towards the AfCFTA with preliminary work on steps such as incremental tariff reduction, elimination of non-tariff barriers, supply chains and dispute settlement. In December 2018, it organised the first Intra-African Trade Fair in Cairo with 1,086 exhibitors signing $32 billion in business deals.

A new breed of African transnational corporations such as Dangote, MTN, Ecobank and Jumia have continental ambitions. Indeed, the logistical and financial networks across the continent are poor and customs formalities are foreboding, but these can be eventually overcome with stronger political will. Moreover, vigorous "informal" trade across porous national borders is already a fact of African life.

Thus, by adopting the AfCFTA, African leaders are only following the economic logic. Looking into the future, a recent UN projection showed that nearly half the world's population growth between now and 2050 would come from sub-Saharan Africa, the population of which would double to nearly two billion. This surge in consumer base would make the proposed AfCFTA even more important.

From the Indian angle

Africa is already an important economic partner for India with total annual merchandise trade estimated at $70 billion or nearly a tenth of our global trade. India is Africa's third largest trading partner.

While India's global exports have been largely stagnant, those to Africa have surged. For instance, exports to Nigeria in 2018-19 grew by over 33% over the previous year.

Africa still has unfulfilled demand for Indian commodities, especially foodstuff, finished products (automobiles, pharmaceuticals, consumer goods) and services such as IT/IT-Enabled Service, health care and education, skilling, expertise in management and banking, financial services and insurance.

India needs to anticipate the AfCFTA's likely impact on its interests and try to influence and leverage it to enhance India-African economic ties. In principle, African economies becoming more formalised and transparent would be in India's interest. While local manufactured items and services may ultimately compete with Indian exports, Indian firms can co-produce them in Africa.

If handled in a proactive manner, the AfCFTA is likely to open new opportunities for Indian stakeholders in fast-moving consumer goods manufacturing, connectivity projects and the creation of a financial backbone. India donated $15 million to Niger to fund the Niamey AU Summit.

As the next step, New Delhi can help the AU Commission prepare the requisite architecture, such as common external tariffs, competition policy, intellectual property rights, and natural persons' movement. It can also identify various African transnational corporations which are destined to play a greater role in a future continental common market and engage with them strategically. The cross-linkages of a three million strong Indian diaspora spread across Africa can also be very valuable.

Finally, once the AfCFTA is accepted as beneficial game changer, the African elite could perhaps contemplate crossing another Rubicon: an India-African FTA.

Before Africa was "discovered" by the West, it had a thriving overland trade. Large camel caravans ferried commodities such as ivory, gold, mineral salt, precious stones and slaves across prosperous trading centres such as Timbuktu, Ghana, Kano, Burnu, Agadez, Edo, Zinder, Ghat, Addis Ababa, Dar es Salaam and Cairo. Subsequent colonialism and mercantilism destroyed internal trade routes, replacing them with an ecosystem in which Africans had better links with their foreign "mentors" than among themselves. By the AfCFTA, the Africans are only trying to correct this historic distortion.

Source: thehindu.com- July 09, 2019

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Garment makers flag concern over rising imports from Bangladesh

A huge jump in duty-free garment imports from Bangladesh under the free trade agreement has put the domestic industry in a fix. This comes amidst slowing domestic demand and banks curtailing credit to 80 per cent of MSMEs (micro, small and medium enterprises) in the sector.

Import of garments from Bangladesh was up 82 per cent to $365 million last fiscal. It has been growing steadily at a CAGR (compounded annual growth rate) of 52 per cent and is expected to touch $3.6 billion by 2024-25. This will render about 10 lakh people jobless with most of the small garment industry shutting shop.

Bangladesh, which has signed an FTA with both India and China, has been sourcing fabric duty-free from China and exporting garments to India, thus providing a back-door entry for Chinese fabrics into the country.
Garment fair

Ironically, export of garments from India to Bangladesh attract a duty of 125 per cent, said Rahul Mehta, President, Clothing Manufacturers Association of India, at an event to announce the launch of the 69th National Garment Fair between July 15 and 18 in Mumbai.

The government should ensure that Bangladesh sources a part of its fabrics requirement from India as putting a cap on their export looks difficult, he said.

The association expects business transactions worth ₹800 crore with the participation of 1,000 brands, 899 stores and 45,000 retailers in the fair.

Premal Udani, former Chairman, Apparel Export Promotion Council, said Bangladesh’s garment export was at $3 billion in 2005 and India’s was at $5 billion, but today their exports have touched $36 billion while India is struggling at $16.5 billion.

Vietnam, which was not even counted among the top exporters then, has recorded garment export of $24 billion last year, he said.

Instead of announcing piece-meal policy measures, he said the government should come out with stated policy for the next five years to boost exports. This will help manufacturers plan their expansion and achieve scale, he said.

For the first time ever, garment exports had fallen by four per cent to $16.1 billion last fiscal, against $16.7 billion logged in 2017-18, Udani said. However, exports have revived partially in the last two months with the government's export incentive schemes.

On the Union Budget, Mehta said the Finance Minister has hinted at special sourcing concessions for foreign-owned single- and multi-brand but details are not yet out.

It will be a big blow if the government eases the current mandatory 30 per cent domestic sourcing norm, he said.

A Bloomberg report adds: Bangladesh which is the world's second-largest garment exporter, has seen the value of its overseas sales rise to a record $40.5 billion in the year ended June 30, coinciding with US President Trump boosting tariffs on $200 billion of Chinese goods to 25 per cent from 10 per cent.

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

For Bangladesh, which aims to double total exports to $72 billion by 2024, snaring part of the $41 billion of the clothing business that goes to China will provide a fillip to an economy that the Asian Development Bank forecasts will expand a record 8 per cent for the next two years.

Source: thehindubusinessline.com- July 10, 2019

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India, China bilateral trade declines by 3.59% in first 5 months of this year

The bilateral trade between India and China has declined by 3.59% year on year, totalling $36.87 billion in the first five months of this year, denting optimism that the total trade volume may cross $100 billion mark in 2019.

The India-China bilateral trade last year touched a historic high of $95.54 billion, raising hopes that the trade this year could cross the historic $100 billion mark.

The trade deficit in 2018, according to Chinese official data, climbed to $57.86 billion from $51.72 billion in 2017.

As per the latest data released by Chinese customs, the bilateral trade in the first five months of 2019 has declined by 3.59% year on year amounting to $36.87 billion.

In the same period, India's exports to China declined by 1.62% to reach $7.70 billion while Chinese exports to India decelerated by 4.10% to total $29.17 billion.

In May this year, the bilateral trade declined by a significant 5.04%, totalling $8.18 billion year on year.

India’s exports to China in May 2019 stood at $1.52 billion, decreasing by 7.15%, while Chinese exports have declined by 4.54%, standing at $6.66 billion.After the bilateral trade crossed $95 billion last year which was a historic high, officials in recent months expressed optimism that the bilateral trade for the first time may cross $100 billion. But the trend of decline may make it difficult unless the trade volumes picks up later in the year.

Major growth commodities of India's export basket in the period January-May 2019 were organic chemicals at 23.56%, cotton 50.73%, plastics 25.48%, fish and crustaceans 394.97%, electrical machinery 33.54%, Iron and steel 39.12% and coffee, tea, mate and spices 654.22%, according to the official data. Export of commodities such as natural earls, precious stones, copper, mineral fuel declined by 29.65%, 89.21, 39.38% respectively from January-May period.

Indian exports of fish and crustaceans, molluscs and other aquatic invertebrates to China continued to show a sharp increase, registering a robust growth of 394.97% from January-May 2019 to reach $392.38 million.

Export of Indian grapes to China grew by 165.28% year-on-year to reach $13.26 million. Export of Indian sugar to China stood at $7.77 million.

India was the largest exporter of coffee, tea, mate and spices to China (46.97% share) with value of $168.42 million.

This was mainly due to the growth in exports to China of spices, having more than 90% share totalling $156.86 million. India was the third largest exporter of fisheries 6.98% share, fifth largest exporter of fresh grapes 2.68% share, and cane and beet sugar to China 2.12% share.

Major commodities of Chinese exports to India were electronic items 26.12%, electrical equipment, organic chemicals, plastics and fertilizers. Import of electrical machinery and equipment have been witnessing decline of more than 20% year-on-year for the last 4 months.

Imports of fertilisers from China showed a sharp increase of 233.17% to reach $512.39 million in January-May, 2019. India remained the largest export destination for Chinese fertilizers.

Among India's top exporting items to China, exports of fish and crustaceans, molluscs and other aquatic invertebrates sustained a rising momentum.

With an increase of 394.97 %, India overtook Australia and ascended to the fourth largest exporter of fish and crustaceans, molluscs and other aquatic invertebrates to China $392.38 million with a share of 6.57%. Exports of coffee, tea, mate and spices enjoyed robust growth and witnessed a steep increase of 654.22% to reach $168.42 million with a share of 46.97%, securing India as the first largest exporter of coffee, tea, mate and spices to China, according to the data.India’s cotton (including yarn and woven fabric) exports to China showed an increase of 50.73% to reach $837.90 million.

With a market share of 18.19% India was the second largest exporter of cotton to China. Despite a decrease of 29.34%, India was still the second largest exporter of diamonds to China amounting to $808.55 million with a share of 24.63%, just after South Africa.

India was the second largest exporter of salt; sulphur, earths and stone, plastering materials, lime and cement to China amounting to $419.75 million with 12.54% market share.

Agricultural items, exports of other solid residues of soybean oil extraction, retained an increase of 182.36% to reach $0.15 million, although China's imports from global partners slumped.

India was the second largest exporter of other solid residues of soybean oil extraction to China.

India still ranked the fifth largest exporter of fresh grapes and cane or beet sugar to China. Exports of fresh grapes increased by 165.28% to reach $13.26 million and exports of cane or beet sugar increased by 227.67% to reach $7.77 million.

Exports of rice to China sustained a steep increase of 9,999% to reach $0.115 million, registering a breakthrough compared to the same period of last year, according to the data.

Source: livemint.com- July 10, 2019

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Domestic industry is unsure of benefits of deal, govt tells RCEP nations

India on Tuesday told Asean nations that the domestic industry is not convinced that the proposed RCEP deal will create a 'win-win situation for all' by ensuring balanced outcomes

India has told the Association of Southeast Asian Nations (Asean) bloc of member countries that the domestic industry is unsure of the benefits of the Regional Comprehensive Economic Partnership (RCEP) deal, currently being negotiated.

In its most direct statement on the matter ever since talks began, India on Tuesday told Asean nations that the domestic industry is not convinced that the proposed RCEP deal will create a 'win-win situation for all' by ensuring balanced outcomes for both goods and services. This was communicated by

Commerce and Industry Minister Piyush Goyal at a meeting with his counterparts from Thailand Chutima Bunyapraphasara, Indonesian trade minister Enggartiasto Lukita, and Asean Secretary General Lim Jock Hoi. Arguing that 'apprehension and pessimism' about the impact of the earlier free trade agreements (FTAs) persist in the industry, Goyal said India has made asymmetrical sacrifice in goods, offering much more than it has received on the RCEP deal, yet.

The promise of commensurate offers in services subsequently by Asean countries did not fructify, he added. The RCEP is a proposed pact between 10 Asean economies and six others (New Zealand, Australia, China, India, Japan, and South Korea) with which the grouping currently has FTAs. So far, 26 rounds of talks have concluded, apart from six minister-level meets. "The surge in goods imports into India is accentuated by instances of non-adherence to the rules of origin provisions and lack of full cooperation in investigating and addressing such breaches.

The utilisation of preferential tariffs by India under the India-Asean FTA is below 30 per cent because of standards, regulatory measures, and other non-tariff barriers in the region," the commerce department said on Tuesday. Goyal also stressed that it has been difficult to get China to allow market access for Indian goods. A report on the RCEP, commissioned by the Confederation of Indian Industry and submitted to the government, has recommended that products — the trade of which is dominated by China — should not be included for tariff reductions under RCEP.

Products on which anti-dumping duties are levied have also been recommended for exclusion. India has resisted calls by most nations, arguing New Delhi should slash existing tariffs on up to 90 per cent of all goods, as well as demands by developed economies such as Japan and Australia to open up the Indian market to specific products such as dairy and engineering goods.

Against that backdrop, the future of the mega trade bloc, under planning since 2012, is uncertain; more so, as several ministries have been opposed to the talks. While the Ministry of External Affairs is reportedly on board, others, including steel, agriculture, and chemicals are in favour of India leaving the deal.

The commerce and industry minister emphasised the adherence to the RCEP guiding principles to balance high ambition on goods' tariff reduction with addressing the sensitives in bilateral pairings like India–China through temporary and permanent deviations/exclusions becomes important.

India has told other negotiating nations that services negotiations must also target commensurate levels of ambition, with offers covering most sub-sectors of interest in all modes in a binding manner. The next round of talks is slated to begin in China on July 22.

Sticking point

- The RCEP is a proposed pact between 10 Asean economies and six others (New Zealand, Australia, China, India, Japan, and South Korea) with which the grouping currently has FTAs
- So far, 26 rounds of talks have concluded, apart from six minister-level meetings
- Arguing that 'apprehension and pessimism' about the impact of the earlier FTAs persist in the industry, Commerce and Industry Minister Piyush Goyal said India has made asymmetrical sacrifice in goods, offering much more than it has received on the RCEP deal, yet
- India has told other negotiating nations that services negotiations must also target commensurate levels of ambition

Source: business-standard.com- July 09, 2019

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Industry not convinced that RCEP will create win-win situation for all: Piyush Goyal

Issues were flagged in a meeting in the India-ASEAN Troika Trade Ministers' meeting here.

The domestic industry is not convinced that the proposed mega free-trade agreement RCEP will create a win-win situation for all, the commerce ministry said Tuesday.

Issues were flagged in a meeting in the India-ASEAN Troika Trade Ministers' meeting here.

It was an informal consultation on the ongoing Regional Comprehensive Economic Partnership (RCEP).

"Market access issues with China for Indian goods have been particularly problematic. Indian Industry is not convinced that RCEP will create a win-win situation for all by ensuring balanced outcomes in across the key pillars, particularly goods and services," the ministry said in a statement.

In the meeting, Commerce and Industry Minister Piyush Goyal said there is apprehension and pessimism in the Indian industry about the impact of previous free-trade agreements.

India made asymmetrical sacrifice in goods, giving much more than it received, he said.

He added that the promise of commensurate offers in services subsequently by ASEAN countries did not fructify.

"The surge in goods imports into India is accentuated by instances of non-adherence to the rules of origin provisions and lack of full cooperation in investigating and addressing such breaches," the ministry said.

It added that the utilisation of preferential tariffs by India under the India-ASEAN FTA is below 30 per cent because of standards, regulatory measures and other non-tariff barriers in the region.

Market access issues with China for Indian goods have been particularly problematic, it said.

The minister emphasised on adherence to the RCEP-guiding principles to balance high ambition on goods tariff reduction with addressing of sensitivities in bilateral parings like India-China through temporary and permanent deviations/ exclusions becomes important.

Quoting minister, it said India looks at RCEP as a logical extension of its Act East Policy and it holds enormous potential for economic growth and stability for the entire region.

He said that in the 26th round of RCEP negotiations at the experts level, which has concluded recently in Melbourne, some progress has been achieved with member countries showing a degree of flexibility and accommodation.

"India too has shown significant flexibility during the negotiations and helped to achieve convergence in few important areas," it said adding two more chapters are close to conclusion, which will take the number to nine of the total 16 chapters.

He has expressed hope that the negotiations will achieve even greater convergence during the coming rounds in China and Vietnam.

The minister also stressed on possible mechanism to address persistent and wide imbalances in trade to give comfort to stakeholders.

Services negotiations must also target commensurate levels of ambition, with offers covering most sub-sectors of interest in all modes in a binding manner, the statement said.

RCEP bloc comprises 10 Asean group members (Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos and Vietnam) and their six FTA partners -- India, China, Japan, South Korea, Australia and New Zealand.

Besides Goyal, the meeting was attended by Acting Minister of Commerce of Thailand Chutima Bunyapraphasara, Minister of Trade of Indonesia Enggartiasto Lukita, ASEAN Secretary General Lim Jock Hoi and TNC Chair of RCEP Iman Pambagyo.

Source: economictimes.com- July 10, 2019

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Farmers stay away from cotton, prefer other crops due to better incentives

Farmers have reduced area under cotton sowing this season in favour of some oilseeds in which they foresee better earnings. Cotton prices, despite a much lower crop as estimated by trade and industry, have not given them much returns in the last season.

Lower cotton acreage and lower availability at a time when crude oil prices are falling is likely to raise India's consumption of manmade fibre (MMF) and synthetic yarn in the years ahead, which are produced from derivatives of crude oil.

The two-week delay in the monsoon rainfalls has resulted in a swift diversion of kharif farming from cotton to soybean, which had a better price realization and higher minimum support price (MSP) this season.

FALLING ACREAGE

	SPOT PRICE*			MINIMUM SUPPORT PRICE		
Price in ₹/qtl	Oct-18	Jul-19	%change	2018-19	2019-20	%change
Cotton-Rajkot (Gujarat)	5,705	6,005	5.3	5,150	5,255	2.0
Groundnut seed-Amreli (Gujarat)	4,500	7,000	55.6	4,890	5,090	4.1
Soybean-Indore (MP)	3,145	3,687	17.2	3,399	3,710	9.1

*Price of starting or nearest available of the month; Sources: Cotton Association of India, Agmarknet, NCDEX
Compiled by *BS* Research Bureau

While sowing area under cotton has declined by 8 per cent so far this season (July 5), that of groundnut rose by 7 per cent. Experts believe that 32 per cent fall in sowing area till now this year is set to recover with the increase in the intensity of rainfalls.

Cotton output in India was impacted last year due to drought in many cotton growing states including Maharashtra, Telangana and Andhra Pradesh. This year also, the seasonal rainfalls were delayed by two weeks which prompted farmers to sow better remunerative crop like soybean which will reflect in forthcoming data release," said Ajay Kedia, Managing Director, Kedia Commodity, a city based commodity broking and advisory firm.

Meanwhile, the Cotton Advisory Board (CAB) under the Ministry of Textiles has forecast India's cotton output at 36.10 million bales (1 bale=170 kg) for 2019-20 compared to 37 million bales estimated for the previous year.

Trade forecast was much lower though. Agmarknet data show that farmers' realization shot up by a staggering 56 per cent from groundnut for the between October 2019 and early-July 2019. Compared to that, however, farmers' realization jumped by 17 per cent from soybean and a mere 5 per cent from cotton.

"With the government increased a mere 2 per cent in cotton minimum support price (MSP) for 2019-20 compared to 5 per cent and 9 per cent in groundnut and soybean respectively, it makes sense to sow more remunerative crops like oilseeds than sticking to the one crop like cotton," said Arun Sakseria, a leading cotton trader here.

While cotton production in India depends largely on the distribution of the monsoon rainfalls, their uneven distribution impacts India's cotton output immensely. Declining cotton crop has created room to increase manmade fibre consumption across textile sector.

"We anticipate manmade fibre and fabric demand to increase with the sharp rebound in textile demand from both domestic and international markets," said Madhu Sudhan Bhageria, Chairman, Filatex India.

Source: business-standard.com- July 09, 2019

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Chinese tech to help textile units cut water use by 70%

The Chinese digital printing machine requires no water at all. The design is digitally transferred on the fabric with the help of in-built electric heat technology to dry the fabric

Amid water scarcity becoming a burning problem across the country, some textile units in the city are all set to embrace new technology that will drastically cut down their water requirement.

South Gujarat Textile Processors' Association (SGTPA) has tied up with Chinese manufacturers to introduce first-of-its-kind digital printing machine that will reduce water consumption by almost 70%.

SGTPA officials say the digital printing machine has unique features to print fabrics without using water. Unlike the conventional printing setup in the mills, the Chinese machine uses very minimal space.

At present, the textile mills have average requirement of 12 litres of water for processing one metre of printed fabric. The waste water generated from the printing process, which contains hazardous chemicals, is then transferred to Common Effluent Treatment Plant (CETP).

The daily requirement of textile mills in Pandesara and Sachin GIDC is more than 140 million litres per day (MLD) for printing and drum washing of fabrics. The mills in Pandesara receive 40 MLD tertiary treated water and the rest is potable water which is supplied through the civic body's pipeline network.

SGTPA president Jitu Vakharia told TOI, "The Chinese digital printing technology will revolutionize textile printing sector in Surat. The requirement of water will be reduced by almost 70%. We had organized a demonstration of the Chinese printing machine at Sachin GIDC on Sunday where many textile mill owners were convinced on switching over to new technology to save water and check pollution in the industry."

Vakharia said grey fabrics manufactured by powerloom weavers are supplied to textile mills for processing. The first stage of process is setting of fabric and bleaching in drum washers, which consumes a lot of water. The white fabric-processed in the drum washing-is transferred to printing department for colour mixing, plates and screening.

Zili Zhao, director of the Chinese firm which manufactures digital printing machine, told TOI, "It took more than six months for us to specially design this machine, exclusively for the mills in Surat.

This machine will eliminate the printing setup in the existing textile mills and that the mill owners can easily print the fabric and dispatch it for end users."

Source: timesofindia.com- July 10, 2019

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India imposing tariffs on US products, no longer acceptable, says Trump

"India has long had a field day putting Tariffs on American products. No longer acceptable!" Trump tweeted

President Donald Trump on Tuesday said India has long had a "field day" imposing tariffs on American products, which is "no longer acceptable" to the US.

Trump's terse comment came days after his meeting with Prime Minister Narendra Modi on the sidelines of the G20 Summit in Osaka on June 28 where the two leaders aired their concerns over the bilateral trade disputes and agreed for a meeting of their commerce ministers to sort out the issues.

"India has long had a field day putting Tariffs on American products. No longer acceptable!" Trump tweeted on Tuesday.
Later this week, US Commerce Secretary Wilbur Ross and Energy Secretary Rick Perry are scheduled to address a major India centric conference in Washington DC.

President Trump, championing his 'America First' policy has been a vocal critic of India for levying "tremendously high" duties on US products, has described the country as a "tariff king".

Though trade is an important part of the booming bilateral relationship, a row over market access and tariffs has escalated in recent months, leading to fears of a protracted dispute.

Before his meeting with Modi, Trump tweeted, "I look forward to speaking with Prime Minister Modi about the fact that India, for years having put very high Tariffs against the United States, just recently increased the Tariffs even further. This is unacceptable and the Tariffs must be withdrawn!" India has raised tariffs on 28 items, including almond, pulses and walnut, exported from the US in retaliation to America's withdrawal of preferential access for Indian products.

Trump has also criticised India's high import tariff on the iconic Harley Davidson motorcycles as "unacceptable".

President Trump terminated India's designation as a beneficiary developing nation under the key GSP trade programme from June 5 after determining that New Delhi has not assured the US that it will provide "equitable and reasonable access" to its markets.

The Generalized System of Preference (GSP) is the largest and oldest US trade preference programme and is designed to promote economic development by allowing duty-free entry for thousands of products from designated beneficiary countries.

The Trump administration wants India to lower the trade barriers and embrace "fair and reciprocal" trade.

Last February, India slashed the customs duty on imported motorcycles like Harley-Davidson to 50 per cent after Trump called it "unfair" and threatened to increase the tariff on import of Indian bikes to the US.

The government on June 21 last year decided to impose these duties in retaliation to the US decision of significantly hiking customs duties on certain steel and aluminium products. America, in March last year, imposed 25 per cent tariff on steel and a 10 per cent import duty on aluminium products.

Many US companies like Google, Mastercard, Visa and Amazon have raised concerns over the issue of data localisation and its impact on their operational cost.

In April last year, the Reserve Bank of India had issued a directive on 'Storage of Payment System Data'. It had advised all system providers to ensure that within a period of six months, the entire data relating to payment systems operated by them is stored in a system only in India, for effective monitoring.

India has also dragged the US to the World Trade Organisation's dispute settlement mechanism over the imposition of import duties on steel and aluminium. India's exports to the US in 2017-18 stood at $47.9 billion, while imports were at $26.7 billion. The trade balance is in favour of India.

Source: business-standard.com- July 09, 2019

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Reliance Industries Ltd ties up with Turkey's Kivanc Tekstil

Reliance Industries Ltd (RIL) Monday said it has tied up with Turkish textile manufacturer Kivan Tekstil to manufacture and market its sustainable and eco-friendly fabric brand R|Elan's GreenGold fabric in Turkey.

"Apart from manufacturing and marketing R|Elan GreenGold fabrics, Kivan will be the exclusive distributor of Recron GreenGold fibres to spinners, yarn manufacturers and knitters across Turkey. "The arrangement will enable RIL and Kivan to offer the best quality eco-friendly textile solutions to brands and retailers, sourcing their requirements from Turkey, to meet the ever-growing demand of environment-friendly apparels," the company said in a statement.

The manufacturing excellence of Kivan would be further enhanced by the high-quality GreenGold fibres as well as by the support of RIL's efficient technical team. Kivan Tekstil caters to major European and American fashion brands and retailers. Vertically integrated across spinning, weaving, dyeing, printing and finishing, Kivan produces 18 million metres of blended fabrics per annum.

Its yield comprises a wide range of blends straddling polyester, cotton, viscose, linen, tencel, modal and wool. Speaking about the partnership, Ziya Kivan, CEO, Kivan Textil said, "At Kivan our mission is to be a company that focusses on customer satisfaction, striving to be trustworthy, reliable and sensitive to human health and environmental issues, while producing the best quality fabric brand". "We at Kivan, do business by providing utmost importance to the environment and well-being of the people". The partnership with RIL, he said, is a significant initiative in accomplishing the mission.

"The exclusive distributorship of Recron GreenGold fibres and yarns and being a manufacturer of R|Elan GreenGold fabrics will provide us with immense growth opportunities. Henceforth, most of the polyester blended fabrics will be made out of sustainable fibres at Kivan!," he added.

RIL, the owner of brand R|Elan, is one of the largest recyclers of PET bottles in India, recycling 2.2 billion PET bottles a year. R|Elan GreenGold, made from recycled PET, substantially reduces the emission of greenhouse gases.

The fabric is made from pre-dyed fibres, its manufacture doesn't need much water.

Whatever little water is used, 90 per cent of it is recycled. It uses bio-fuels and is one of the few recycled brands that provides end-to-end traceability throughout the supply chain, right from PET bottles to fibres. RIL has partnered with key players across global textile hubs to produce new-age fabrics, using its specialty products.

This strong global network, called the Hub Excellence Program (HEP), provides assurance to brands/ retailers of streamlined production, timely supply of raw materials, and standard quality. The partner firms also receive technical and product development assistance from RIL, as well as leads for business development.

Source: timesnownews.com- July 09, 2019

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Second India-Russia Strategic Economic Dialogue to be held on 10 July

The Second India-Russia Strategic Economic Dialogue (IRSED) shall be held on 10 July in New Delhi, under the chairmanship of Dr. Rajiv Kumar, Vice-Chairman, National Institution for Transforming India (NITI) Aayog and Mr. Timur Maksimov, Deputy Minister of the Economic Development of the Russian Federation.

The Second meeting of the IRSED shall be focussing on six core areas of cooperation, namely, Development of Transport Infrastructure and Technologies; Development of Agriculture and Agro-Processing sector; Small and Medium Business support; Digital Transformation and Frontier Technologies; Cooperation in Trade, Banking, Finance, and Industry; and Tourism & Connectivity.

The IRSED was established following a bilateral Memorandum of Understanding (MoU) signed between NITI Aayog and the Ministry of Economic Development of the Russian Federation during the 19th edition of the Annual India-Russia Bilateral Summit, which was held on October 5, 2018, in New Delhi.

The First India-Russia Strategic Economic Dialogue was held in St. Petersburg between November 25-26, 2018, and was chaired by Mr. Maxim Oreshkin, Minister of Economic Development of the Russian Federation, and Dr. Rajiv Kumar, Vice-Chairman, NITI Aayog.

Source: pib.nic.in- July 09, 2019

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Raymond focuses on mini TRS to boost sales

Raymond is opening more Mini TRS (The Raymond Shop) across the country. It has opened 300 Mini TRS stores especially in Tier III and Tier IV towns. The Mini TRS is aimed at providing the immersive Raymond retail experience across all emerging markets and towns to the discerning customer.

Every franchisee is supported by an area manager who builds local calendarized activation and marketing plans for each outlet depending on the local festivals as well as key talking points.

Through a cooperative marketing pool, the activation calendar is implemented through the local franchisee and store so that they may leverage their local knowledge to maximize the efficiency of all such activities. Each city/ market develops and drives activations and promotions that are best suited for its market and customers.

Raymond is expecting around one-fifth of its textile and apparel retail business to come from small towns, where it is opening Mini TRS stores. The company has identified around 800 small towns with a population above 50,000 for such mini stores.

While a regular TRS covers 2500 sq ft, a Mini TRS is spread over 800 sq feet. Textile and apparel major Raymond will invest Rs 350 crores in capacity and retail expansion this year. This will help ramp up its apparel sales and grow the fabric business over the next few years.

Source: fashionunited.in- July 09, 2019

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