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IBTEX No. 51 of 2019 March 11, 2019

USD 69.90| EUR 78.55 | GBP 90.73 | JPY 0.63

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
20287	42400	**77.30**

Domestic Futures Price (Ex. Warehouse Rajkot), March

Rs./Bale	Rs./Candy	USD Cent/lb
20710	43284	**78.91**

International Futures Price

NY ICE USD Cents/lb (May 2019)	73.49
ZCE Cotton: Yuan/MT (May 2019)	15,265
ZCE Cotton: USD Cents/lb	103.01
Cotlook A Index – Physical	**81.25**

Cotton Guide: Global Trend continues to confer a strong resistance at 75 cents

"75" The Lakhshman Rekha or we can call it the threshold line is still cherished. Market in the last week has kissed the high of 74.99 (ICE Future, May contract) and corrected down, turned volatile and finally settled at 73.45 cents per pound.

The level 75 is a technical point however, reduced trading volume and steady open interests suggest traders' across the globe are not comfortable in seeing cotton so high given the recent fundamentals being bearish. The U.S. 2018/19 cotton supply and demand estimates are unchanged from last month. The projected range for the marketing year average price received by producers of 69.0 to 71.0 cents per pound is reduced 2 cents, as the reported average price for January fell below previous expectations.

This month's 2018/19 world cotton estimates show higher production and ending stocks, and slightly lower trade. Production is estimated up 350,000 bales in Brazil on higher area and 200,000 bales up in Pakistan based on arrivals at gins. Production is 100,000 bales lower in Australia due to weather. World trade is forecast 140,000 bales lower with reductions for Brazil and Indonesia on the export and import sides based on activity to date. Ending stocks for 2018/19 are forecast 590,000 bales higher this month, at 76.1 million bales. This would be 5.1 million bales below their revised 2017/18 level.

Impact: Negative for cotton prices for immediate term

These USDA estimates suggest global production and ending stocks in the next year is expected to increase.

This might be too early to comprehend the fact that we have multi months ahead for the new season however these facts may not permit large gains in the price.

On the contrary it also does not indicate that price will fall drastically because it continues to hold the support level of 70 cents. Market isn't falling much below 70 in the recent past because hedge funds carry good amount of long positions, technical chart become oversold and mills huge unfixed on call positions. This determine before major move take place cotton in the international market is expected to trade in the broad range of 70 to 75 cents. However, we would still confer either side breakout will trigger a very quick move by at least 2 to 3 cents with large hit in the stop loss trade but we need to be very sure of the trend. For the week the aforementioned range is likely to persist.

Indian Cotton Market and its latest Dynamics:

The 29mm Cotton in the last week in India continued to trade around Rs. 42,200 per candy ex-gin. Although during the previous week it had traded below Rs. 42000 but it failed to hold and quickly rebound. The fact is that Indian cotton isn't falling much below the 42K level because of support of raw cotton MSP in Indian market, the arrivals of new crop into the physical markets have considerably declined, and ginners are refraining from selling cotton below Rs. 42,000 per candy. However, on the other hand domestic price falling below MSP level could attract export demand.

On the futures front the March future ended at Rs. 20710 per bale down by around Rs. 200 from the previous week's close.

The difference between March and April is holding around Rs. 300 per bale. The exchange has the highest stock deposited first time in the history determines that market is to maintain a sideways with mixed factors.

Domestic Crop number by CAI:

As per the Cotton Association of India crop committee's last meeting held on 1st March 2019, the committee has estimated Indian crop size of 328 lakh bales of 170 kgs against previous month's estimate of 330 lakh bales. Compared to last year's 365 lakh bales, Indian crop size in the current year will be lower by 37 lakh bales, down by 10.13%. Against this year's crop size of 328 lakh bales up to February 28, 2019, 213.42 lakh bales of cotton have arrived in the market, which is 65% of the total estimates. Likewise, the exports are expected to be around 50 lakh bales.

The current environment of cotton in the world and domestic market seems very baffling. In one hand the US-China trade issues pertaining for the past more than a month hasn't come to any concrete output yet though there is expectation that US will have huge cotton and other agriculture commodity being exported to China. ICE cotton trading below 75 cents or failing to move higher vis-à-vis Indian cotton price for Shankar-6 at a premium is also making a large disequilibrium in the Indian export market.

Cotton Market Price Outlook:

In the short term Cotton is expected to remain mixed. As said above ICE will see a sideways trend with the given range of 70 to 75 cents per pound. Indian cotton price might continue to hold near Rs. 42,000 per candy. The MCX cotton future for March may trade in the range of Rs. 20450 to Rs. 21000 per bale.

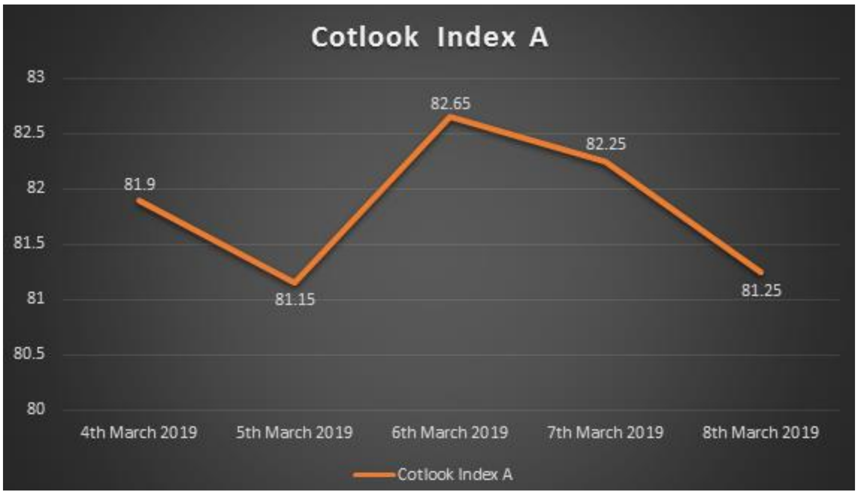
Other Market Outlook:

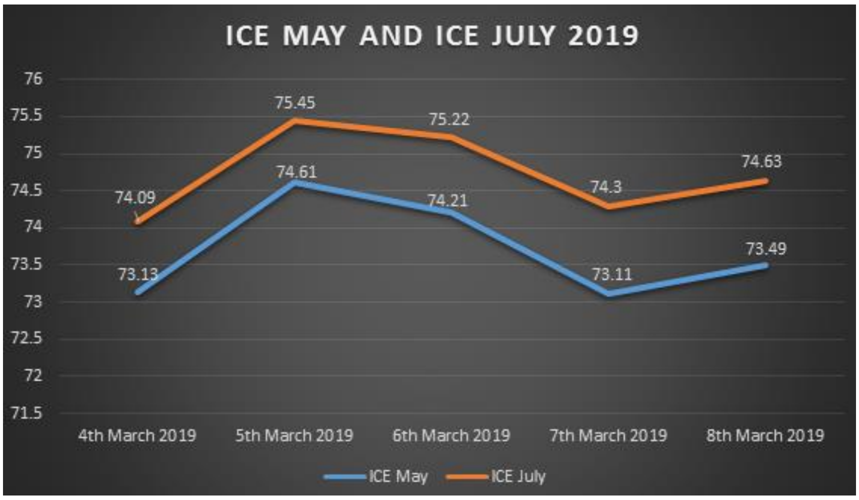
Oil market is expected to trade sideways to lower and might witness an inside range of 55 to 57.50 USD/Barrel

USD/INR to trade strong however, quantum may be limited. The trading range for the week should be 69.50 to 70.40

Major Data and Events:

The US Retail sales and inflation numbers are expected. Euro-zone macroeconomic numbers are expected during the week. Later in the week China's retail sales and Industrial Production data is expected.





Currency Guide

Indian rupee may witness choppy trade against the US dollar but general bias remains weak. Rupee tested 70 levels last week but has failed to give a close below that level. Weighing on rupee is weakening global economic outlook amid disappointing economic data from major economies, downbeat growth outlook and uncertainty about Brexit and US-China trade deal. Also weighing on rupee is political uncertainty as market players position for elections. As per latest reports, elections will be held from April 11 to May 19 with results scheduled on May 23. However, supporting rupee is pressure on crude oil price and lack of flare up in tensions between India and Pakistan. The US dollar has also corrected from recent highs amid disappointing US non-farm payrolls data and Fed's stance to remain patient on rate hikes. Rupee may witness choppy trade near 70 levels however weaker risk sentiment may keep pressure on the currency. USDINR may trade in a range of 69.9-70.4 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

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INTERNATIONAL NEWS

USA: With Tariff Hike on Hold, Retail Cargo Imports to Slow in March

Cargo imports at major U.S. container ports are expected to fall to their lowest level in nearly a year in March, with the retail industry between seasons and plans for a tariff increase for Chinese imports on hold, according to the Global Port Tracker report released Friday by the National Retail Federation (NRF) and Hackett Associates.

U.S. tariffs of 10 percent on $200 billion worth of Chinese goods that took effect in September were scheduled to increase to 25 percent on March 2, but the increase was postponed by President Trump, citing progress in talks between Washington and Beijing. The White House said this week that the tariff hike is on hold until further notice as the U.S. and China try to conclude negotiations for a signing summit between the heads of state that could happen later this month, or in April.

“Now that the holiday season is over and summer has yet to crank up, this is the quiet time of year for retail supply chains,” said Jonathan Gold, vic president for supply chain and customs policy at NRF. “Retailers are also taking a break from the rush to bring merchandise in ahead of tariff hikes now that the increase that was scheduled for March has been delayed. We are hoping that the delay is permanent and, better yet, that tariffs of the past year will be removed entirely. But either way, imports will start to build up again soon as retailers prepare for the summer.”

U.S. ports covered by Global Port Tracker handled 1.89 million Twenty-Foot Equivalent Units (TEU) in January. That was down 3.7 percent from December, but up 7.4 percent year-over-year. A TEU is one 20-foot-long cargo container or its equivalent.

February cargo imports increased an estimated 6.2 percent year-over-year to 1.79 million TEU. March shipments are forecast at 1.59 million TEU, up 3.2 percent year-over-year, but the lowest level since 1.63 million TEU last April. Global Port Tracker noted that February and March are historically the two slowest shipping months of the year, with retailers between major shopping seasons and factories in Asia shuttered during the Lunar New Year holiday.

April cargo imports are forecast to rise 7 percent to 1.75 million TEU, while May shipments are seen increasing 3.3 percent to 1.88 million TEU, June arrivals are forecast to grow 1.7 percent to 1.88 million TEU and July imports are projected to be up 2.7 percent to 1.96 million TEU.

Imports during 2018 set a new record of 21.8 million TEU, an increase of 6.2 percent over 2017's previous record of 20.5 million TEU. The first half of 2019 is expected to total 10.8 million TEU, which would be a 4.8 percent increase over the first half of 2018.

Global Port Tracker covers the U.S. ports of Los Angeles-Long Beach and Oakland, Calif., and Seattle and Tacoma, Wash., on the West Coast; New York-New Jersey, Port of Virginia, Charleston, S.C., Savannah, Ga., and Port Everglades, Miami and Jacksonville, Fla., on the East Coast, and Houston on the Gulf Coast.

Source: strtrade.com- Mar 08, 2019

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US: Trade Turmoil Cited as Air Freight Demand Drops to Three-Year Low

Global air freight demand fell 1.8 percent in January compared to a year earlier, marking the worst performance in the last three years, according to a new report from the International Air Transport Association (IATA).

Demand for air cargo continues to face significant headwinds, IATA said, with weakened global economic activity and consumer confidence. The report noted that the Purchasing Managers Index for manufacturing and export orders has shown falling global export orders since September.

"Air cargo markets contracted in January–this is a worsening of a weakening trend that started in mid-2018," Alexandre de Juniac, IATA's director general and CEO, said. "Unless protectionist measures and trade tensions diminish, there is little prospect of a quick re-bound."

At the same time, freight capacity rose 4 percent year-on-year in January, the 11th month in a row that capacity growth outstripped demand growth, IATA data showed.

Only two of six regions, North America and Africa, reported year-on-year demand growth in January. Asia-Pacific, Europe and the Middle East all saw demand decrease, while Latin America's was flat.

Air freight demand for Asia-Pacific dropped 3.6 percent in the month compared to January 2018. "Weaker manufacturing conditions for exporters in the region, ongoing trade tensions and a slowing of the Chinese economy impacted the market," according to IATA.

The U.S. and China are still trying to negotiate their way through a trade war that emerged in 2018 resulting in tariffs imposed by both countries on each other's imports and stirring sourcing tensions and shifts in a variety of sectors, including apparel, textiles and footwear.

North American airlines posted the fastest growth of any region for the eighth consecutive month in January, with an increase in demand of 3.3 percent compared to a year earlier.

"The strength of the U.S. economy and consumer spending have helped support the demand for air cargo over the past year, benefiting U.S. carriers," IATA said.

Freight demand at European airlines declined 3.1 percent in January, as weaker manufacturing conditions for exporters and shorter supplier delivery times, particularly in the key export market of Germany, impacted demand. IATA noted that trade tensions and uncertainty surrounding Brexit also contributed to the showdown.

Middle Eastern airlines' freight volumes contracted 4.5 percent in January. IATA noted that international air cargo demand that had trended upward the previous three months, has started to decline.

The flat demand for Latin American airlines came amid economic uncertainty in the region. However, several key markets are performing ell, IATA data showed. For example freight traffic within South America and between Central and South America grew at a double-digit rate in January, while demand on routes between North and South America also showed strength.

African carriers saw freight demand increase 1 percent in the month, with air cargo demand now trending upward for six months.

Source: sourcingjournal.com- Mar 08, 2019

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US Jobs Report Shock Suggests Dawn of a Long-Forecast Slowdown

The U.S. labor market may not be as weak as February's payrolls number suggested, but the report provides a reality check that a long-forecast slowdown is arriving.

Employers added 20,000 jobs during the month, the fewest since September 2017, missing all economist estimates and bucking a recent trend of strong February readings. Analysts said the unexpectedly low figure doesn't mean conditions rapidly deteriorated—citing weather effects and payback from outsize gains in prior months—but they pointed to the likelihood of a moderation in job gains this year as economic growth cools.

"I don't think you want to say that 20,000 is the new trend, but the trend probably is shifting down," said Michael Feroli, chief U.S. economist at JPMorgan Chase & Co. in New York. "It's hard to know with precision how much of a downshift there will be. We'll see job growth better than this, but not as good as we saw last year."

U.S. stocks dropped along with the dollar, with the Standard & Poor's 500 Index falling for a fifth day, while benchmark Treasury yields were steady as markets weighed the jobs report with the risk of greater inflation pressures.

While the payroll gains disappointed, the report's other highlights were largely positive: the unemployment rate declined by more than forecast and hourly wages rose from a year earlier at the fastest pace since 2009, figures that bode well for consumer spending. Some industries hit hard in February are typically closely tied to weather patterns, including construction and retail, while the lingering effects of the partial government shutdown may have created some volatility.

“There was always going to be noise in this as a result of the shutdown,” Constance Hunter, chief economist at KPMG LLP, said on Bloomberg Television.

Policy makers and economists are likely to wait for several months of weak hiring before concluding there’s cause for concern in the labor market. The figures also validate the Federal Reserve’s January decision to pause interest-rate hikes while awaiting signs of a more-persistent acceleration in inflation.

What Bloomberg’s economists say

“The fact that hiring was weak, but the unemployment rate declined and jobless claims have not materially increased, signals that labor market conditions are not materially deteriorating.”– Carl Riccadonna, Yelena Shulyatyeva and Tim Mahedy, economists Click here for the full note.

“The Fed just picked a really good time to go into hibernation, so they really don’t have to deal with any of this,” said Stephen Stanley, chief economist at Amherst Pierpont Securities LLC.

A separate government report Friday showed new-home construction rebounded in January by more than expected as building permits hit a nine-month high, indicating the housing market is stabilizing amid lower mortgage rates.

Economists were already expecting monthly payroll gains to average about 170,000 this year, following a 223,000 pace in 2018 that was driven by corporate investment and consumer demand fueled by tax cuts. The effects of fiscal stimulus, including a boost in government spending, are expected to fade while President Donald Trump’s trade war with China remains an overhang on businesses.

The report also showed signs that companies are paying up for employees in a tight market. Average hourly earnings for private workers rose 0.4 percent from the prior month, topping estimates, following a 0.1 percent gain. That indicates the economy may get a lift from wage increases at companies including Amazon Inc. along with Costco Wholesale Corp., which said Thursday it’s boosting starting wages.

Another positive highlight: The U-6, or underemployment rate, plunged to 7.3 percent, the lowest since 2001, from 8.1 percent. This includes part-time workers who want a full-time job and those less active in seeking work.

"There's no reason to panic," Ryan Sweet, head of monetary policy research at Moody's Analytics Inc. "You average the couple months together and the jobs market is still doing well. Job growth will slow this year, as the economy begins to moderate. But 20,000 jobs is not what we're going to be creating month-in and month-out."

Source: sourcingjournal.com- Mar 08, 2019

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The growth of the worldwide denim market

Even as joggers and leggings have emerged as the top fashion bottom worldwide, the classic appeal of jeans along with new styles continues to attract consumers. A top reason for this is the addition of stretch to both men's and women's jeans. And Marshal Cohen, Chief Industry Advisor, NPD Group credits stretch with boosting the sales of women's denim by 5 per cent to $16.4 billion in the year ending July 2018.

Between 2011 and 2017, the percentage of denim jeans that contained stretch in the US increased from 44 to 75 per cent, according to Cotton Incorporated's Retail and Lifestyle Monitor™ surveys. In China, the percentage increased from 26 to 56 per cent.

Robust growth expected for the denim market

As per a global market review published by Just-Style, the world market for denim jeans grew at an impressive 8.9 per cent between 2013 and 2018. It is expected to reach nearly $60 billion by 2023.

United States ($20.1 billion) and Europe ($19.75 billion) account for 69 per cent of the world's total value share in jeanswear, even though the population of these two continents represents less than 15 percent of the world's total. While North America and Europe dominate the global denim market, the fastest growth is expected to come from Asia, South America, and Africa.

As per Monitor™ research, and CCI and Cotton Incorporated's Global Lifestyle Monitor™ Survey, almost 77 per cent of Latin Americans prefer wearing jeans. This figure decreases slightly to 65 per cent in China and further to 55 per cent in the US.

Denim at all times for Mexican and US consumers

Monitor™ research indicates the US citizens prefer wearing jeans for running errands, at school, while going out to dinner, doing yard work, hanging out at home, on a date and also to work. While Chinese consumers prefer them when going to dinner and running errands followed by work.

In Mexico, denim is the preferred bottomwear for work, running errands, going out to dine, looking stylish or fashionable and hanging out at home (22 per cent). The Mexican consumer owns more pairs of jeans than US and Chinese. Mexican consumers also wear their denim more often than those in the US and China.

Growing demand for performance features

CCI and Cotton Incorporated's Chinese Consumer Survey indicates that the Chinese prefer jeans that are made from 100 perThe growth of the worldwide denim market 001 cent cotton, having performance features , are moisture wicking, have extra stretch, are able to be wash less, and are created more sustainably.

On the other hand, US consumers would be willing to pay more for denim jeans that fit them perfectly, are higher quality/last longer (79 per cent), are custom made to their fit and style (70 per cent) and kept their shape all day long (69 per cent), according to Monitor™ research.

While denim makers have started adding stretch, there are other athleisure-inspired features that can give their denim even more appeal. For instance, 64 per cent consumers are interested in moisture management in their clothing.

Yet, moisture management is only available in 9 per cent clothing, according to Cotton Incorporated's Retail and Lifestyle Monitor™ studies. Additionally, 61 per cent are interested in thermal regulation, yet it has just 2 per cent retail availability.

Indeed denim can evolve to meet customer desires and expectations, now it's time for brands to rise to the challenge.

Source: fashionatingworld.com- Mar 08, 2019

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Vietnam imports 20% more cotton in 2018

Textile and garment exports from Vietnam increased 16 per cent to $30.4 billion in 2018. Cotton import volumes increased 20 per cent to 1.56 million tonne and fabric import went up 11.14 per cent to $12.7 billion. The import of Brazilian cotton has risen 54 per cent and US cotton decreased 3 per cent.

Vietnam textile and garment increases 16 per cent in 2019

In January 2019, export value of textiles and garments reached $2.65 billion, decreasing 4.3 per cent month on month. However, it increased 6.4 per cent year on year. In 2018, export value of Vietnam's textile and garments amounted to $3.04 billion, increasing 16 per cent year on year. Growth rate increased 6 per cent. Cotton imports totaled 1.56 million tonne increasing by 20 per cent month on month

Increase in imports of Brazilian and Indian cotton

The import volume of Indian cotton in Vietnam declined during Nov and Dec, 2018. During this period, Vietnam mainly imported US and Brazilian cotton. This was mainly attributed to the influence of Sino-US trade war and the expectation of allocation of additional quotas in China. China procured much Australian and Brazilian cotton, so the import of Vietnam changed much since Oct 2018.

Cotton imports growth

US cotton, with the lower basis, was imported more during 2018-end in Vietnam. The country imported 744.4kt of US cotton,Vietnam textile and garment 002 226.7kt of Indian cotton 181.6kt of Brazilian cotton and 170.7kt of Australian cotton. Imports of Brazilian cotton increased to the third position in 2018.

Its import proportion was 54 per cent of US cotton, 16.7 per cent of Indian cotton, 13.2 per cent of Brazilian cotton and 12.3 per cent of Australian cotton. In terms of unit price, prices have fallen down generally since October 2018. Compared with Cotlook A Index, the imported cotton prices in Vietnam lagged behind about one to two months, which was related to the booking date and shipment.

Source: fashionatingworld.com- Mar 08, 2019

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Vietnamese garment firms struggle to conquer domestic market

Vietnam's garments exports have posted high growth for many consecutive years with export turnover always 5-10 percent higher than previous year. Up to now, Vietnamese garments have been available on the market of nearly 200 countries.

Last year, garments exports exceeded US$36 billion, up 16.1 percent compared to that in 2017. Although Vietnamese garment companies have showed great performance in export, they are still struggling to gain ground right on their home ground.

Mr. Vu Duc Giang, chairman of the Vietnam Textile and Apparel Association (VITAS), admitted that despite several barriers from large markets, garments and textiles industry was extremely successful in export last year but it faced difficulties in domestic market. Growth of garment products of large producers in domestic market was extremely low with some even much lower than their set targets.

According to Mr. Giang, when free trade agreements become effective, import tariffs reduce and retail market is opened for foreign enterprises, several foreign fashion brands including Zara, H&M, Topshop and Old Navy have landed in domestic market and directly competed with Vietnamese ones. Meanwhile, local fashion industry has not actually kept pace with global fashion trend yet. Fashion designers and firms still have to do things on their own as there is no school for training of professional fashion designers.

In addition, local consumers tend to prefer imported clothes to domestically-made ones despite the campaign to encourage Vietnamese people to give priority to made-in-Vietnam products.

How to effectively approach domestic market is an urgent matter for garment firms this year. According to the VITAS, there are five factors to achieve sustainable development for garments industry.

Particularly, firms have to carry out strategy to develop technology. Of which, they have to build 3D technology for fashion creation as human cannot meet the rapid movement of market. Next, they have to build resources; which means that they have to have the ability to train professional designers, increase their fashion vision and foreign language in order to update global fashion trend.

In addition, firms have to set up distribution network. Of which, they cannot skip the traditional distribution network but also have to focus on e-commerce channel because consumers, especially young ones, tend to go shopping online these days. At the same time, they have to standardize their business ethics and services and catch up with the fashion trend so as to be responsible for their products till the end to build trust in consumers.

Lastly, the Government should build industrial zones which include waste water treatment facilities and call for investment into fiber textile and dyeing factories to complete the fabric production chain for garments industry. This will be the foundation to localize fabric source in order to help garments and textiles industry to shift from processing to designing and exporting garment products under Vietnamese brands. More importantly, by this, local firms will be able to make the most out of free trade agreements that the country has signed.

Although it remains difficult for local garments firms to enter domestic market, some firms have had detail solutions. For instance, Phuong Dong Garment Company with FHOUSE brand will establish a commercial company to draw out trading strategy for this brand to return to home market. At the same time, it also has solution to develop designing and materials to make products that meet demand of local consumers. As for Corporation 28, besides upgrading machinery to improve productivity and quality and reduce cost prices, the firm has opened more stores for consumers to approach its products more easily. It also sends it products into supermarkets to gain market share and increases market coverage for their products to be easily recognized by consumers.

Besides, firms which used to mainly focus on export have also started to aim for domestic market. Small firms also become more positively in winning consumers by investing in designing, improving product quality and restructuring cost prices.

Source: sggpnews.org.vn - Mar 09, 2019

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Myanmar garment workers caught in global tug-of-war

The garment sector in Myanmar faces challenges to its commercial survival, with the possibility of losing tariff-free status in the European Union just the latest blow, a new report has noted.

While Myanmar could benefit from export-oriented manufacturers' flight to third countries amid a US-China trade war, development consultant Nick Freeman has pointed out barriers to taking a longer-term approach to investment in the garment industry, such as quality and standards.

The garment sector now employs about 700,000 people, mostly women, who are estimated to earn close to the minimum wage of 4,800 kyat (S$4.30) for an eight-hour day.

The prevailing cut-make-pack or cut-make-trim industry model - where labour makes up about 70 per cent of sewing production costs - "is certainly better than having no garment sector at all", said Mr Freeman, an associate fellow at Singapore's Iseas-Yusof Ishak Institute think-tank. "But it hardly evokes the image of a robust and vibrant manufacturing sector that amply remunerates its employees."

Mr Freeman cited how price pressures and contentious working conditions have precipitated a spate of labour disputes in Myanmar, in a recent report published as part of the think-tank's "Trends in South-east Asia" series.

“One major international garments buyer to which this author spoke stated that it had tried to begin sourcing from Myanmar some years ago, principally as a means to reduce its exposure to Bangladesh, and to a lesser extent Cambodia,” he added. “However, it promptly discovered that not one of the domestic firms it surveyed met the minimal standards that it required of its suppliers.”

On top of that, the EU is now poised to suspend Generalised Scheme of Preferences (GSP) status for Myanmar exports, under its the “Everything But Arms” (EBA) trade scheme. The European bloc is pointing to human rights violations in key states with ethnic minority populations, as well as labour rights issues, as the reasons for its withdrawal.

But Mr Freeman said that the loss of GSP privileges would put Myanmar’s garment industry “at a distinct competitive disadvantage with rivals in producing garments for the EU market that are also part of the EBA scheme”, such as Bangladesh, Cambodia, and several African countries.

“Despite already operating at wafer-thin margins, a large part of Myanmar’s garment sector is at the mercy of the whims of overseas policymakers and their willingness to provide trade preferences, or not,” wrote Mr Freeman.

“This does not seem like a sustainable platform on which to develop a robust and vibrant garment and textile sector in Myanmar.”

He noted that the garment sector is highly export-dependent, with the industry having picked up on newly established export-oriented factories centred around Yangon’s industrial zones, which are fuelled by in-flows from East Asian manufacturers - notably the Chinese and South Koreans.

Meanwhile, there has been a sharp drop in domestically-owned garment companies, as they cannot compete for exports, he said. “Most are typically left supplying cheap garments and uniforms to the relatively modest domestic market.”

Mr Freeman suggested that companies team up with the local agricultural and textile industries to develop products such as freight-on-board clothes made from locally sourced organic cotton, since improved sourcing and operations “could also stimulate the appetite of international buyers, as well as potentially generate new operational efficiencies for these manufacturers".

"Garment sector development initiatives co-funded and implemented by development partners, including the EU, and collaborating closely with the major international garment companies, could play a key role in underwriting some of that investment cost, and sharing some of that risk, as well as provide the necessary technical Inputs," he also suggested.

Still, international partners must also guarantee garment makers that there will be requisite product demand at prices "that merit the investment and risks undertaken", Mr Freeman added.

He also warned that if Myanmar's Rohingya minority - who have been subject to what observers termed ethnic cleansing, including by the armed forces - face a deteriorating human rights crisis, "development partners, international buyers and retail customers alike may conclude that clothing with a 'Made in Myanmar' tag is just too toxic, and should be avoided".

Source: businesstimes.com.sg - Mar 09, 2019

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Vietnam featured in world's top 10 emerging markets logistics

Vietnam ranked above Thailand to join the top 10 markets in Transport Intelligence's 2019 Agility Emerging Markets Logistics Index, which evaluates the overall competitiveness of 50 emerging markets based on logistics strength.

China claimed the top spot of the index, followed by India and UAE, Indonesia, Malaysia, Saudi Arabia, Mexico, Qatar, Turkey and Vietnam.

In Southeast Asia, Vietnam ranked third, behind Indonesia and Malaysia, and stood above Thailand at 11st and the Philippines 20th.

Vietnam's international logistics market is the standout driver of its overall performance in the 2019 Index. Domestically, the country has solid but not remarkable logistics opportunities – both contract logistics and domestic express markets are around US$750 million in value per year with healthy growth rates, and GDP per capita is amongst the higher of the 50 emerging markets in the index, reinforcing likely positive development.

On the international side, Vietnam has developed real strength. It rates as the fifth largest market for logistics intensive goods trade by value – a measure where it is broadly in line with the significantly larger Indian economy and double the size of much larger Brazil.

This advantage is expected to strengthen further as strong growth in both imports and exports is expected over the next five years. The country's sea freight market also plays a key role in strong international logistics performance.

A network of more than 160 ports throughout the country – with main gateways at Ho Chi Minh City, Hai Phong and Da Nang – have annual capacity of more than 11 million TEU, while the report estimated that Vietnam's sea freight market will grow at a 15.3% CAGR over the five years to 2022.

Additionally, Vietnam remained 4th overall in the international logistics opportunities sub-Index - where average wages in the manufacturing sector are approximately four times lower than in China.

Its expertise and infrastructure have improved to such an extent that it is a major global exporter in a number of sectors, including textiles and apparel which have come to account for approximately 40% of air freight trade with the US. Such exports are helping fulfil the rapid delivery expectations of fast-fashion and online retail, according to Agility.

More widely, Vietnam's ability to negotiate and sign new bilateral (such as with the EU) and multilateral (such as with ASEAN members) trade agreements has bolstered its ability to access new markets and should see it continue to grow over the longer term too. To date, it has signed 17 FTAs, although not all are implemented.

Meanwhile, a rank of 20th in the business fundamentals sub-index suggests room from improvement, with the need to address regulatory burden in particular.

Source: english.vietnamnet.vn- Mar 10, 2019

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Nigeria yet to meet $2bn textile targets 4yrs after policy

Four years after the Federal Government approved a national policy on Cotton, Textile and Garment (CTG), Nigeria is yet to meet any of the targets set in the policy.

In 2015, government through the Ministry of Industry, Trade and Investment, launched the National Cotton, Textile and Garment Enterprise Policy to stimulate the textile industry.

Despite not meeting any of the targets, the Central Bank of Nigeria (CBN) recently announced forex ban for textile importers to help bolster the local textile industry.

The policy initially aimed at developing the local textile industry, launched under Olusegun Olutoyin Aganga as the then Trade Minister four years ago, aimed to create an environment to encourage textile production in the country and limit importation.

The policy document projected savings of $2 billion in foreign exchange through import substitution, increase in the level of direct employment in the sector from the then 24,000 workers to 50,000 workers by the end of 2015 and to 100,000 workers by 2017.These targets have not been achieved even by 2019.

The policy also targeted an increase in seed cotton production in the short-term from 200,000 metric tonnes to 500,000 metric tonnes by the end of 2015 and indirect employment expected to increase from the current level of 650,000 people to 1 million people by 2015, and 1.3 million people by 2017.

“Export earnings are also expected to increase to at least $3bn annually or 0.5 per cent of the global share of international trade in textiles and garments in five years. FDI into the Nigerian textiles and garment sector will increase to as high as N255bn cumulatively over the next five years,” the policy stated.

Details of the implementation of the policy under Dr. Okechukwu Enelamah have remained sketchy as it appears the trade ministry under him has abandoned the policy.

Earlier in 2010, the Federal Government had introduced the N100 billion Cotton, Textile and Garment Revival Fund managed by the Bank of Industry (BOI) to turn around the fortunes of the textile industry, but just like the national policy, it has also failed to revive the textile sector.

Explaining why Federal Government's N100 billion Cotton, Textile and Garment Revival Fund could not achieve the desired goal, CLS Stockbrokers Limited, a member of the FCMB Group, said most players in the textile industry "did not avail themselves of the loan as repayment became a major challenge to those who did, since it was difficult to contest with imports from Asian countries which have taken over the market."

The company, which is a member of the Nigerian Stock Exchange, explained that the 'National Cotton, Textile and Garment Policy' approved in 2015 targeted cumulative investments of over N255bn (US$0.71bn) in the textile industry over five years.

The policy provides that all military, para-military agencies and government schools purchase only made-in-Nigeria textiles and garments.

"In our view, the Nigerian textile industry can still be a major revenue earner for Nigeria and a major employer of labour considering the local availability of the major raw material (cotton) and the chemicals needed for production (mainly by-products of petroleum).

"However, we believe that the success of the industry depends more on the ability of the government to address the fundamental challenge of poor infrastructure, mainly power," the company said on the new forex restriction on textile imports.

Speaking on the development, an economist, and Former Director General, Abuja Chamber of Commerce and Industry (ACCI), Dr Chijioke Ekechukwu, told Daily Trust that latest CBN's forex restriction for textile import will not have so much effect as importers will continue to import textile by sourcing for forex through the secondary forex markets of Bureau de Change and through privately arranged international money transfers.

Dr. Ekechukwu said the restriction will rather increase the price of the imported textile materials and the price burden will be borne by the ultimate consumers.

“There is however going to be a marginal reduction in burden on our foreign reserve and reduction in forex demand through CBN. That is the only major benefit to the country as consumers will pay higher prices for products they hitherto paid less for,” he said.

The expert further explained that the forex restriction is not a ban on textile materials, but “a not-valid-for-export regime,” which is not likely to protect the local textile manufacturers.

Source: dailytrust.com.ng- Mar 10, 2019

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Tunisia trade deficit widens

Tunisia ran a TND 2.46 billion (USD 810.5 million) trade deficit in January and February, up 11% from a year ago, as per numbers from its National Statistics Institute made public this Friday (8) by news agencyÂ TAP .

The country had relevant deficits in trade with China, Turkey, Italy, Algeria and Russia, but posted surpluses with France, Libya and Morocco.

Exports from Tunisia amounted to TND 7.72 billion (2.54 billion), up 16.7%. foreign sales went up for phosphate and its products, fossil fuels, the process industry, mechanical and electrical industries, and textiles, clothing and others.

Imports to Tunisia reached TND 10.18 billion (USD 3.35 billion), up 15.3%. Imports went up for capital goods, raw materials, semi-finished goods and fuels.

The European Union took in 74.6% of total exports from Tunisia and accounted for 52.4% of Tunisia's imports.

Source: menafn.com- Mar 10, 2019

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Pakistan: PBIF asks government to revisit all bilateral trade agreements

President of Pakistan Businessmen and Intellectuals Forum (PBIF) Mian Zahid Hussain has suggested that all trade agreements with different countries need to be reviewed in order to make them more beneficial and supportive for strengthening Pakistan's exports.

"The export sector products should be diversified and customised in accordance with international demand for which research and development centres need to be established across country so that Pakistani products may be sold at better prices in international markets," he proposed, adding that new international markets ought also to be looked for in order to boost exports.

Taking to a group of business community, Mian Zahid expressed concern that the balance of bilateral trade was negative for Pakistan despite having preferential trade agreement with Indonesia.

He said several amendments had been made to FTA in order to make it more favourable for Pakistan due to efforts of ministry of commerce and secretary commerce Younus Dagha who met Indonesian minister of commerce and stressed on removal of non tariff barriers for Pakistani products to enter Indonesian markets.

He said that Indonesia officially offered access to twenty export products in to make the balance of trade in favour of Pakistan. Those items include: mangoes, broken rice, tobacco, apparel, knitwear and other textile products. This facility will help Pakistan to improve its exports to Indonesia, he said.

PBIF president said that the continuous efforts of Pakistan come to fruition and direct access was granted to 20 export items of Pakistan's choice effective from March 1, 2019, which would tilt the balance of bilateral trade in the country's favour.

He noted that the FTA between Pakistan and Indonesia came into existence in 2012 but it adversely affected Pakistan' exports to Indonesia where Pakistan's exports were declined to $ 141 million in 2016 which were $ 236 million in 2011; however, it jumped to $ 296 million in 2017.

He said bilateral trade stood at $ 1.6 billion at the time of signing FTA which increased by $ 1.2 billion in 2017 to $ 2.8 billion given to huge rise in Indonesian exports to Pakistan from $ 1.5 billion in 2013 to $ 2.5 billion in 2017.

Veteran business leader said Pakistan had exported 200,000MT of wheat and white rice to Indonesia the previous year. He said special permission of exporting mangoes in the coming season was granted to Pakistan, which would help in boosting exports and would tilt the balance of trade in Pakistan's favour.

Source: fp.brecorder.com- Mar 08, 2019

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Pakistan eyes export surge as US strips India of preferential trade status

Pakistan has been formulating a strategy to increase its exports to the United States after Washington announced on Monday that it will strip India of its preferential market access that exempted Indian exports worth billions of dollars from American tariffs, officials said on Friday.

“Pakistan’s trade balance with the United States is already much better, and we have been trying to sign a Free Trade Agreement to enhance the volume of our exports,” Dr. Ashfaque Hasan Khan, a member of the government’s Economic Advisory Council, told Arab News.

The Office of the United States Trade Representative said on Monday that India would no longer be eligible for preferential market access to the United States. Following the development, Pakistani officials began to find ways to fill the void by getting a preferential market access from the United States.

Businessmen and financial experts, however, urge the government to increase and diversify its exports to capture the US market.

Pakistan was the 55th largest supplier of goods to the United States in 2017 with the total exports worth $3.6 billion, while the imports from the US were $2.8 billion in the same period. Pakistan’s main exports to the US include textile articles, knit apparel, woven apparel, leather products, cotton, and agricultural products.

Khan said that the Pakistan Tehreek-e-Insaf (PTI) government was focused on trade partnership with leading countries of the world, including the United States. “The real issue at the moment is to increase our production and value addition … we will be able to increase our exports to the US only if we have enough production in the first place,” he added.

Chairman Pakistan Apparel Forum, Jawed Bilwani said that Pakistan was exporting a “good number” of textile articles, including knitwear and woven apparels, to the United States and “this could be trebled easily if we succeed in getting a preferential market access to the US.”

“Pakistan must ensure while negotiating the FTA with the US that it helps increase our exports and the trade balance remains in our favor,” he told Arab News.

Bilwani urged the government to offer “lucrative incentives” to local and foreign investors to set up new industries to increase the country’s production line for exports and capture the international market with quality goods.

Pakistan has been benefitting from tariff preferences (mostly zero duties on two-thirds of all product categories) under the Generalized Scheme of Preferences (GSP) Plus arrangement awarded by the European Union since January 2014. This has helped Islamabad increase its exports by 13 percent so far.

Dr. Athar Ahmad, a senior economist and expert on international marketing, said that the US’ abolishment of preferential market access to India will not automatically benefit Pakistan.

Source: arabnews.com- Mar 08, 2019

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NATIONAL NEWS

Indian can export 50 lakh bales of cotton, says CAI

As per the Cotton Association of India, the committee has estimated Indian crop size of 328 lakh bales of 170 kgs against previous month's estimate of 330 lakh bales.

There will be a big drop in Indian cotton crop figures this year, due to shortage of rain.

The fall in cotton prices below the government set level of minimum support price giving excellent export parity to Indian cotton, the trade is confident about achieving export target of 50 lakh bales of 170 kg each.

"At present the current rate of 29mm (milimetre) good quality cotton is Rs. 42,000 per candy in the spot trade, which was Rs. 41,000 per candy during same period of previous year. At this rate Indian cotton is having good parity for export. If this rate continues for another 45 days, we will achieve our export target of 50 lakh bales very easily," said Atul Ganatra, president, Cotton Association of India (CAI).

"As on today our Indian cotton quality wise rate is ruling from Rs.40,000 to Rs.42,000 per candy for 27mm to 29 mm cotton. At this rate Indian cotton is the cheapest cotton available in the world due to which, there is a good demand for Indian cotton from across the world. Since past many years, India has been a net cotton exporting country," said Ganatra of CAI.

This year, cotton sowing in India has taken place in around 123 lakh hectares. But unfortunately the rain has not supported and in September month rain was very less and entire month of October was dry. Particularly, states like Gujarat had rain deficit of 28%. There was rain deficit in states like Karnataka, Telangana and Maharashtra too.

Due to shortage of rain, this year there will be no third and fourth picking in most of these cotton growing states. In regular course in India, farmers take 4 to 5 pickings. The government of Maharashtra and Telangana had given instructions to the farmers to remove the cotton plants by 31st December to avoid Pink Ball worm problems.

Because of this there will be no third, fourth or fifth picking in India, and there will be a big drop in Indian cotton crop figures this year.

As per the Cotton Association of India crop committee's last meeting held on 1st March 2019, the committee has estimated Indian crop size of 328 lakh bales of 170 kgs against previous month's estimate of 330 lakh bales.

Compared to last year's 365 lakh bales, Indian crop sie in the current year will be lower by 37 lakh bales, down by 10.13%.

Against this year's crop size of 328 lakh bales upto February 28, 2019, 213.42 lakh bales of cotton have arrived in the market, which is 65% of the total crop size. The current estimate of CAI is lower by 8.6% than its first estimate of 348 lakh bales issued in October.

Source: economictimes.com- Mar 09, 2019

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Suresh Prabhu confident of meeting $100-bn FDI target by 2020

Commerce and Industry minister Suresh Prabhu said Saturday the government has set a target of attracting USD 100 billion in foreign direct investments over the next two years.

Boosted by the USD 16-billion Walmart-Flipkart deal last August, which is the biggest-ever foreign fund inflow into the country—2018 saw the country for the first time in two decades overtaking China with USD 38 billion in inbound FDI deals compared to China's USD 32 billion.

Other major deals included Unilever buying out GSKs consumer business in the country for over Rs 31,700 crore, Schneider Electric, TPG Capital, KKR, Softbank, and Alibaba among others.

"We have achieved record FDI inflows last year. We have set a target and are already working on bringing in USD 100 billion FDI (by 2020)," Prabhu said at an Indian Chamber of Commerce event.

The minister said the government is conducting a sector analysis for FDI investments and is preparing suitable policies which will help in bringing foreign funds. The commerce minister said exports during this fiscal year will top the past record of USD 323 billion in 2014 and he expects it be over USD 330 billion. “But, I am not happy about it. We should have much higher exports. This will help in job creation as well,” he said.

Besides ease of doing business, the government is focusing on ease of investments as well, he said, and underlined the need for better and deeper integration of the domestic economy with the global economy.

“If you remove the hurdles for investments, we can see investments coming in from all sources portfolio, FDI or domestic. It will lead to better growth,” he said. Railways and Coal minister Piyush Goyal was also present at the function.

Source: financialexpress.com- Mar 09, 2019

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Industry associations hail new RoSCTL scheme; welcome reduction in hank yarn obligation

Post-GST, exporters of garments and made-ups began showing signs of struggle due to the inadequate export benefit and tariff barriers.

Industry associations and export promotion councils pleaded with the government to hasten the GST and IGST refunds as the units were cash-strapped.

It was in this context that the Union Cabinet met on March 7 and approved the scheme to rebate the State and Central Embedded Taxes to support the textile sector and boost exports.

Hailing the new scheme (RoSCTL), the Southern India Mills’ Association Chairman P Nataraj said that the proposed rates have arrived at the right time - it will benefit the garmenting and made-ups segments, and strengthen the entire cotton textiles value chain.

The industry has been pleading to include spun yarn and fabrics under the RoSL benefit for the last two years.

" The government should have considered the spinning and weaving/ knitting segments as these suffer with surplus production capacity," said the SIMA Chairman.

A Sakthivel, Vice Chairman, Apparel Export Promotion Council, said that the approval of the new scheme by exclusively earmarking ₹6,000 crore (to prevent delay in refund of embedded taxes) will benefit the apparel manufacturers and exporters, boost the country's competitiveness in the export market and ensure equitable and inclusive growth of the textile and apparel sector.

M Shanmugham, President , Tiruppur Exporters' Association, said, "The announcement has come at a time when the knitwear garment exporting units are going through pricing pressure from competing countries like Vietnam, Bangladesh, Cambodia, Indonesia, Sri Lanka, Pakistan apart from China. It is a welcome relief," he added.

On reduction in the hank yarn obligation from 40 per cent to 30 per cent with effect from January 1, 2019, Nataraj said that it is a welcome move that would enable ease of doing business.

"The same has increased to over 1,600 million kg in 2018," said Nataraj, and added that the number of handlooms stood at 31.37 lakhs in 1997-98. It got reduced to 21.46 lakh in 2009-10.

The proportionate reduction in obligation works out to less than 15 per cent. There is therefore room to reduce the obligation further to 10 per cent."

Source: thehindubusinessline.com- Mar 09, 2019

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Is organic apparel next big thing in global market?

With the word 'organic' trending as a USP in markets across the globe including urban India, apparel manufacturers are switching a percentage of their production to organic following gradual rise in consumer demand.

The United States and Europe are major markets of organic apparels for Indian textile manufacturers.

Anticipating a bullish market for organic apparels that is growing at around 10 per cent annually, textile units are gradually increasing production for organic and sustainable products with eyes set on both overseas and local niche market, HS Jha, corporate HR head at a leading textile mill in Pithampur said, "Demand for organic apparels is growing gradually from our customers. We have witnessed an increase of around 12 per cent in demand for organic apparels from our customers."

Jha said every year they are increasing procurement of organic cotton from farmers to meet increasing demand. The textile company has adopted over 30,000 organic cotton farmers to supply to them.

There are a handful of textile units in the region that manufacture organic apparels. Madhya Pradesh is fourth largest producer of cotton in the country.

According to apparel manufacturers, India is a niche market for organic clothes but countries like Europe and US are rapidly switching to organic, especially in women and kidswear.

Amidst the growth, there are problems too. Despite increasing demand in overseas market, resistance by brands in increasing prices for organic products is hitting margins of manufacturers.

Ashok Akade, technical vice-president at a textile mill said, "In our company, 30 per cent of manufacturing has been shifted to organic and sustainable fibre because market is there but margins have squeezed because international brands do not want to increase prices wherein cost of organic manufacturing is higher than normal clothes."

According to industry experts, cost of manufacturing organic apparels is about 5 per cent higher than normal due to higher cost of procurement, certification and other charges. They said high competition from other manufacturing countries and negligible scope to hike prices in international market is hitting profitability of textile mills.

Source: timesofindia.com- Mar 10, 2019

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8 million farmers to benefit as Bt cotton seed price reduced

In a move which may benefit nearly 8 million cotton farmers across the country, the Centre has cut the Bt cotton seed price by reducing the royalty fee payable by domestic seed firms to developers of this genetically modified variety.

Under the new price, notified by the agriculture ministry on Friday, the farmers will have to pay maximum Rs 730 per packet of 450 gm (including Rs 20 for royalty) for Bt cotton seed of Bollgard (BG)-II version this year as against Rs 740 (including Rs 39 for royalty) last year.

The new maximum sale price (MSP) include Rs 20 per packet as trait fees (royalty) this year as against Rs 39 per packet last year. It means while the farmers will have to pay Rs 10 less per packet this year as compared to 2018 season, the domestic seed firms will be the bigger beneficiaries as they will have to pay Rs 19 less per packet as trait fees to the developer (innovator of transgenic variety of cotton).

The move to reduce MSP of Bt cotton seed comes amid demand of several organisations, including the RSS-linked Swadeshi Jagran Manch (SJM), for complete removal of trait fees so that the farmers do not face “unnecessary burden” of higher prices.

The co-convener of the SJM, Ashwani Mahajan, on March 1 had written to the Prime Minister Narendra Modi, seeking his intervention for removal of trait fees in the MSP of Bt cotton seeds. Citing certain reports, he argued that since Bt trait had not been working to save cotton plants from Pink Bollworm (insect), there was no point in charging such fees.

Source: timesofindia.com- Mar 11, 2019

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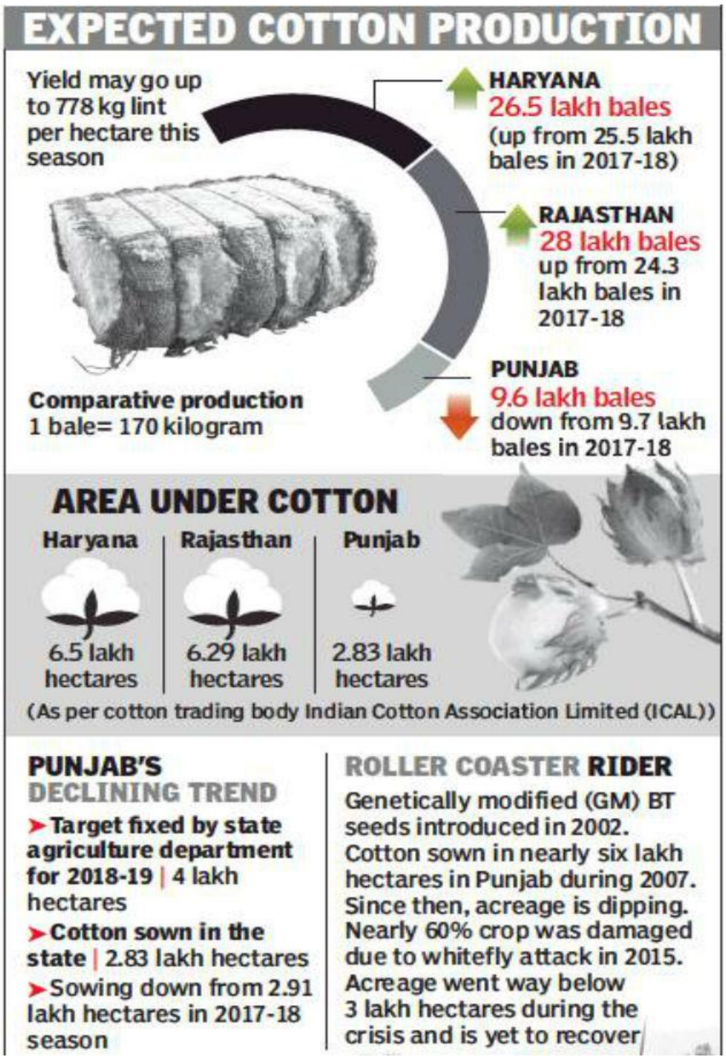
Why are Punjab cotton growers losing out



While cotton growing farmers in Haryana and Rajasthan are reaping the benefits of increased minimum support price (MSP) and higher yield, farmers in Punjab seems to be at a disadvantage.

The other states have more farmers and more acreage under cotton sowing as compared to Punjab.

Cotton yield is expected to increase to 778 kilogram lint per hectare in the current season up from 750 kilogram lint per hectare in 2017-18 season but as the acreage in Punjab is less, less money from buyers is flowing in.

Punjab can stop cotton cultivation and switch over the other options which other states don"t offer. A Singh

As cotton picking season comes to an end, farmers who switched to paddy from cotton are feeling disappointed and blame the state agriculture department for not able to foresee better times for cotton. “We feel bad for not sowing cotton last year. We will shift towards cotton from coming sowing season in May-June,” said village Sangat farmer Mukhtiar Singh and Naranjan Singh.

Farmers Jarnail Singh and Harnek Singh from village Jai Singh wala in Bathinda echoed his views demanding that the Centre and state governments should step in. As prices hovered above MSP, the Cotton Corporation of India (CCI) also failed to make any purchases in Punjab as farmers wanted to sell through agents.

Source: timesofindia.com- Mar 10, 2019

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MSME sector created most jobs in last four years: Survey

Hospitality/tourism, textiles/apparel, metal products, machinery parts top employment generators

Among all the sectors, micro, small and medium enterprises (MSMEs) was the largest job creator in the last four years – with growth of 13.9 per cent – and will continue to be so in the next three years, according to a survey by the Confederation of Indian Industry (CII).

The report titled 'Survey on Jobs Creation and Outlook in MSME Sector' said hospitality and tourism, followed by textiles and apparel, and metal products were the other top job-creating sectors in this period.

Machinery parts and transport and logistics were next on the list.

Top States

Maharashtra, Gujarat and Telangana were the largest job generators.

The survey focussed on jobs creation, ease of filling up vacancies, and impact of government initiatives on jobs creation in the report.

"The survey has indeed thrown up the most promising outcomes. There is a very healthy growth in employment in the MSME segment of the industry and with the kind of disruptions and innovations that are likely to sweep through the industry in terms of new technologies and practices, our skills development front is also undergoing rapid changes," said Chandrajit Banerjee, Director General, CII.

Govt support

However, the survey mentioned that there was a need for greater hand holding of the MSMEs which are yet to take full advantage of government initiatives, he added.

The survey that spanned over 105,347 firms, primarily in the MSME sector, was undertaken in more than 350 industrial centres in 28 States.

Source: thehindubusinessline.com- Mar 09, 2019

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Year 2019 will be India's ascent in global fashion industry: McKinsey study

Though economic expansion is happening across Asia, 2019 will be the year when India will take center stage. As highlighted in McKinsey's latest 'State of Fashion report written in partnership with the Business of Fashion, India's ascent is one of 10 trends the fashion industry needs to watch out for in 2019.

Retailers leverage technology

As per data from McKinsey's FashionScope, India's apparel market will be worth $59.3 billion in 2022, making it the sixth largest in the world, comparable to the United Kingdom's ($65 billion) and Germany's ($63.1 billion). The aggregate income of the addressable population is expected to triple between now and 2025. According to Sanjay Kapoor, Founder of Genesis Luxury, a luxury retail conglomerate, higher incomes are likely to create a whole new class of consumer: Retailers are moving on toward the 'gold collar' worker, term that defines the highly paid professionals.

Over 300 international fashion brands are expected to open stores in India in the next two years. To build momentum around conventional stores, Indian players are innovating: retailers are leveraging technology to enhance the in-store experience with digital marketing displays and improved checkout. For instance, Madura Fashion & Lifestyle launched the Van Heusen Style Studio, which uses augmented reality to display outfits on customers. Malls have also increased their share of space devoted to food service and entertainment.

Growth in the apparel sector is also being driven by increasing tech savviness among consumers. Ten years ago, technology was for the few, with just five million smartphones in a country of 1.2 billion people and only 45 million Internet users. These figures have since increased to 355 million and 460 million, respectively, in 2018, and they are expected to double by 2021, when more than 900 million Indian consumers will be online. E-commerce leaders are moving to solutions based on artificial intelligence.

Consumption patterns, preferences in focus

Successful brands have studied the consumption patterns of their consumers, their preferred colors, designs and touchpoints.Year 2019 will be Indias ascent in global fashion industry McKinsey study 001 Indian women have beautifully amalagated the Indian and Western sensibilities across the spectrum. Traditional clothing made up almost 70 per cent of women's apparel sales in 2017. It is expected to account for a 65 per cent market share by 2023.

With nearly 40 per cent of the Indian network unpaved till 2016, India's infrastructure too continues to lag behind that of many other Asian countries. In addition, retail stock is often below expectations. However, there are signs of improvement. Reliance Brands, which operates over 500 stores for International brands is developing two fantastic luxury malls in Mumbai along with the convention center.

Offering a great promise

Many brands are determined to take advantage of India's blossoming growth. The majority are likely to choose one of the three routes. First, players can partner with existing e-commerce platforms. This is most suitable for players with low brand awareness and relatively little capital to invest; it also offers a good way to test demand and customer preferences.

Second, brands that have little local knowledge and are looking to enter the market quickly can do so with a franchise model, developing brick-and-mortar retail spaces. Finally, players that have significant local knowledge and capital resources can create fully owned and operated stores.

In short, the Indian market offers great promise. Despite structural challenges that include inequality, infrastructure, and market fragmentation, strong economic growth, scale and rising tech savviness will combine to make India the next destination for global fashion and apparel business.

Source: fashionatingworld.com- Mar 08, 2019

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CBIC moves to paperless transactions

Under iCODE, the department will send the Bills of Entry and Shipping Bills electronically to importers and exporters

In a move towards paperless transactions between the Customs department and the trade, the Central Board of Indirect Taxes and Customs (CBIC) is replacing paper copies of Bill of Entry (import goods declaration) and Shipping Bills (export goods declaration) with electronic versions.

The CBIC has announced two new initiatives. One is for electronic communication/ transmission of Customs documents to the trade under the name 'iCODE' (Indian Customs Original Document of Electronic Data Interchange) and the other is ICEDASH — an "Ease of Doing Business" dashboard to monitor daily clearances at each port. ICEDASH has already been made available in the Customs IT system, ICES.

Under iCODE, the department will send the Bills of Entry and Shipping Bills electronically to importers and exporters. The documents digitally signed will have QR codes for authentication and sent through email to the registered email IDs of respective Customs brokers. These electronic (PDF) copies will replace the paper copies signed by "Out of Charge" officers (who give 'let export' orders) currently to make entire clearance process faster and greener, says a CBIC circular.

At present, the importer clearing the goods for domestic consumption needs to file four copies of the Bill of Entry; the original and the duplicate are meant for Customs; the third copy is for the importer; and the fourth is for the bank for making remittances. The exercise is similar in the case of shipping bills. These will now be done electronically.

However, under iCODE, generation and transmission of first copy of Bills of Entry (copy after assessment, presented for examination) in PDF has now been made operational. As of now, the PDF Bills of Entry have QR codes but do not have the digital signatures.

Convenient format

Welcoming the new initiative of the CBIC, an official of an Custom House Agent (CHA) said there are teething problems with the print format.

Under iCODE, the importer just need to register with the CBIC to get a printout in real time electronically and take the print out if he so desired in his office rather than going to the Customs department. Further, CHAs cannot cover up their delays citing printer malfunction or unavailability of Customs officials to sign the printouts, he said.

Source: thehindubusinessline.com- Mar 09, 2019

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India, ASEAN clock fastest growth for e-commerce, digital trade sectors: FICCI-KPMG

India and 10-member ASEAN are among the fastest growing economies in the world with even faster growth rates for e-commerce and digital trade sectors, according to a new report by industry body FICCI and consulting major KPMG.

By 2021, global e-commerce sales are expected to reach 4.5 trillion dollars, up from 1.3 trillion dollars in 2014.

"While China dominates the global e-commerce sector, India and ASEAN are among the fastest growing markets. Both regions are making investments to develop an ecosystem that can sustain and promote increasing digital trade."

The e-commerce market in India is estimated to reach 165.5 billion dollars by 2025 while the ASEAN is estimated to reach a volume of 90 billion dollars, said the report titled 'India and ASEAN: Co-creating the Future.'

The Association of Southeast Asian Nations (ASEAN) comprises Indonesia, Thailand, Malaysia, Singapore, Philippines, Vietnam, Cambodia, Myanmar, Brunei and Laos.

Within ASEAN, Indonesia's e-commerce market is likely to increase to 46 billion dollars by 2025 (from 1.7 billion dollars in 2015), Thailand to 11 billion dollars (0.9 billion dollars), Philippines to 9.7 billion dollars (0.5 billion dollars), Malaysia 8.2 billion dollars (1 billion dollars), Vietnam 7.5 billion dollars (0.4 billion dollars) and Singapore 5.4 billion dollars (1 billion dollars).

By 2025, China's e-commerce market will expand to a whopping 672 billion dollars.

The fast growth everywhere is led by rising internet penetration and smartphone use, a young population and an expanding middle class.

Significantly, cross-border e-commerce is expected to play a major role in supporting e-commerce expansion, with the sub-segment expected to reach 1 trillion dollars by 2020. This is driven by customers seeking lower prices and accessing unique or speciality products or brands not available in their home country.

However, the report cautions that the rapid adoption of e-commerce and digital platforms presents a new set of security challenges.

While governance of cyberspace and cybersecurity policies are still evolving, the time is ripe for India and ASEAN to elaborate on mechanisms for secure digital payments and other associated ecosystems, it said.

Source: business-standard.com - Mar 10, 2019

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GHCL to roll out home textiles products range made from recycled polyester

The PET bottles are processed at Reliance Industries' plant at Barabanki through an extruder and transformed into tagged r-PET fibre

Gujarat Heavy Chemicals Limited (GHCL) is all set to launch a range of home textiles products based on health and wellness during the second fortnight of March.

RS Jalan, Managing Director, GHCL, told BusinessLine that the company has, in recent months, launched a range of innovative products made with recycled polyester.

"Our range of bedding products have been designed to support the circular economy. It centres around "reduce, reuse and recycle", reinforcing our passion for sustainability, traceability and innovation, besides giving something back to society." The company has worked around branding the product. The Rekoop collection is the first bedding line to use 100 per cent source-verified recycled PET, as well as cotton-recycled PET blended products.

The PET bottles are processed at Reliance Industries' plant at Barabanki through an extruder and transformed into tagged r-PET fibre. The fibre is then spun along with cotton to make cotton/polyester blended yarn at GHCL's spinning facility in Madurai. The fabric is then woven, processed, cut and sewn into finished bedding products at its integrated home furnishings manufacturing plant in Vapi.

"A total of 36 bottles are used to make a single sheet set. By way of recycling PET bottles, the company has helped in the reduction of 7.4 cubic yards of landfill space, saved on consumption of crude oil by at least nine barrels and avoided carbon emission of up to 6.5 tonnes," said Jalan. He added, "we have invested ₹13.50 billion in the textile business and look to invest another ₹3.50 billion in the next two years."

"It is an integrated facility from spinning to weaving, dyeing, processing and printing. The finished products like sheets and duvets are primarily exported to the US and UK, Australia, Canada, Germany and other European countries."

The annual production capacity at the Vapi plant was recently enhanced from 36 lakh metres to 45 lakh metres, he said. Home textiles business revenue has registered a 34 per cent growth in Q3 of 2019 fiscal to ₹324 crore as compared with ₹241 crore during the corresponding quarter of the earlier fiscal, due to higher volumes and better realisation.

Source: thehindubusinessline.com - Mar 09, 2019

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Women-Empowerment Schemes of Ministry of Textiles

The Ministry of Textiles has formulated various schemes which empower women engaged in handloom and handicrafts sector.

HANDLOOM SECTOR:

As per the 3rd Handloom Census (2009-10), there are about 43.31 lakh handloom weavers and allied workers, of which 77% are women weavers & allied workers, who are involved in weaving and allied activities and earning income for their families. The benefits of following four schemes is reaching to women weavers and workers:

National Handloom Development Programme which has the following components:

1. Block Level Cluster
2. Handloom Marketing Assistance
3. Concessional credit/weavers Mudra Scheme

- Handloom Weavers' Comprehensive Welfare Scheme
- Yarn Supply Scheme
- Comprehensive Handloom Cluster Development Scheme

There is 100% subsidy to SC/ST/BPL and women weavers for construction of worksheds under National Handloom Development Programme.

Under Block Level Cluster component of National Handloom Development Programme, 412 Block Level Clusters have been sanctioned in last three years and the current year (2015-16 to 2018-19), under which coverage of women beneficiaries is 1,71,822.

Seven National Awards (Kamladevi Chattopadhyay Awards) and National Merit Certificate (Kamladevi Chattopadhyay Awards)were conferredon women weavers during National Handloom Day celebrated at Jaipur on 7th August 2018.

There is 75% subsidy to SC/ST, BPL and women weavers for enrolment under NIOS and IGNOU courses.

HANDICRAFTS SECTOR:

In the handicrafts sector, there are about 7 million artisans in the country. Under Pehchan Initiative, approximately 25 lakh artisans have been identified for the issuance of I.D. Card and till date 19.97 lakh ID cards have already been issued. The percentage of female artisans is 56.07%.

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Source: pib.nic.in- Mar 08, 2019

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