TEXTILE INTELLIGENCE CENTRE IBTEX
INFORMATION BUREAU TEXPROCIL
TEXPROCIL NEWS CLIPPINGS
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

IBTEX No. 188 of 2018 September 11, 2018

USD 72.38| EUR 83.95 | GBP 94.35 | JPY 0.65

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22326	46700	**82.21**
Domestic Futures Price (Ex. Gin), October		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
23170	48466	**85.32**
International Futures Price		
NY ICE USD Cents/lb (Dec 2018)	83.85	
ZCE Cotton: Yuan/MT (Jan 2019)	15,695	
ZCE Cotton: USD Cents/lb	**88.27**	
Cotlook A Index – Physical	**1000**	

Cotton Guide: The soft commodity index has advanced over the past few trading sessions globally amid threat of Hurricane Florence reached to category 4 on its way to the US East coast heading for the Carolinas and Virginia riding cotton and other commodity price higher. On Monday the ICE December future advanced to make an intraday high of 83.93 and the March 19 contract surpassed 84.20 cents. Both the contracts ended on a positive note from its previous day's close. We think any severe damage to crop due to Hurricane activity could bring in fresh supply concerns in the world market.

As per market agencies, Hurricane Florence, last at a category 4, is headed towards the coast of Virginia/North Carolina/South Carolina. Too much cotton is open in those states for a potential hurricane not to matter. Quality typically suffers and depending on the wind, quantity. Already last week Tropical Storm Gordon hit the Mississippi Delta with 3-7 inches of unwanted rains on their mostly wide-open crop.

DISCLAIMER: The information in this message be privileged. If you have received it by mistake please notify "the sender" by return e-mail and delete the message from "your system". Any unauthorized use or dissemination of this message in whole or in part is strictly prohibited. Any "information" in this message that does not relate to "official business" shall be understood to be neither given nor endorsed by TEXPROCIL - The Cotton Textiles Export Promotion Council.

Note, the USDA Crop Progress report has been delayed until tomorrow due to technical reasons. Meanwhile, agricultural commodities may be aligning themselves for the USDA Monthly Supply-Demand Report due on Wednesday. Those reports can definitely stimulate activity, but not necessarily. They always bear watching.

On the trading front, volume was 24,902 contracts which almost same as of 24,721 contracts witnessed on last Friday. Total open interest began today at 255,765 contracts, up 489 contracts Friday. China's ZCE futures also settled higher, though barely and on light volume. The ZCE has also traded sideways for about 4 weeks.

On the pricing front, though the price rally was good but December has not broken the previous top of 84.25 cents which means market is still within that the consolidation phase noticed since past 4 weeks.

Further on Chinese State Reserve cotton on Monday's auction had a turnover rate of 53.95% spinners only. Offered were 30,000.4175 tons (137,792 bales); and sold were 16,184.3965 tons (74,335 bales). The cumulative turnover rate is 58.46 percent (offered versus sold). This auction series started at 24.1 million bales and 13.83 million bales remain.

On the domestic front the spot price traded steady near Rs. 47200-47500 per candy ex-gin. However, the future contract trades at MCX ended the session at Rs. 23170 per bale up by Rs. 230 from the previous close. We think market might remain sideways today but the bias may be on the higher side. The trading range for the day would be Rs. 23000 to 23270 per bale.

Currency Guide:

Indian rupee opened higher by 0.2% to trade near 72.3 levels against the US dollar. Rupee is seeing some recovery after hitting record low level of 72.6738 in previous session. Rupee has benefitted from some correction in US dollar and crude oil. The US dollar weakened against European currencies yesterday amid signs of progress in Brexit talks. Brent crude is steady near $77 per barrel as Iran worries are countered by rising OPEC, US and Russia supply.

There are also reports that the Indian government has asked the central bank to bolster efforts to support the rupee. However, weighing on rupee is weaker risk sentiment amid trade war worries and contagion fear in emerging market economies. The US dollar is also supported by optimism about US economy and Fed's rate hike stance. Rupee may see some volatility as market players assess feasibility of RBI intervention but we expect weakness to continue unless there is stability in emerging markets. USDINR may trade in a range of 72.1-72.75 and bias may be on the upside.

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

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	USA: Apparel Imports From China Remain Stalled, as Overall Shipments Rise
2	Chinese companies flee overseas to avoid US tariffs
3	UAE's apparel imports from India falls 59 per cent
4	Indonesia seeks more FTAs to push up textile and apparel sector
5	Vietnam shines despite Southeast Asia's struggles with trade and emerging market pressures
6	India & Bangladesh: Trade, Synergies & China
7	No call for US to fret over Vietnam trade surplus
8	Pakistan: Textile Asia-2018 ends with signing of JVs worth $175m
9	Bangladesh's exports to the US increase 5.83 per cent
10	Bangladesh: Diversification of cotton sourcing is a crying need for spinning industry
11	No rollback of CPEC, Pakistan assures China
12	Ethiopia expects earning over USD 200 M from apparel and textile
13	Bangladesh: BGMEA wants tax cuts to cope with wage hike
14	Tajikistan keen on garments, tea from India: Envoy
15	Around 67 Bangladesh factories obtain LEED certification
	NATIONAL NEWS
1	Cotton exports touch 69 lakh bales till Aug 31: CAI
2	Evolve policy to shield MSMEs from cotton price rise: Spinners
3	Govt waives off late fee on GST returns
4	SME cotton mills in Tamil Nadu go for production cuts
5	Pink bollworm: Demand for herbal pesticides increases
6	Brexit augurs well for India-UK trade talks: Graham Stuart

INTERNATIONAL NEWS

USA: Apparel Imports From China Remain Stalled, as Overall Shipments Rise

Though the amount of apparel the U.S. took in from China was down in July, overall textile imports were up.

Overall U.S. imports of textiles and apparel increased 7.3% in July to 6.24 billion square meter equivalents (SME) compared to a year earlier, according to data from the U.S. Office of Textiles and Apparel (OTEXA). In value, imports climbed 2.72% to $46.18 billion from a year earlier.

Year over year, imports of textiles from around the world grew 11.2% to 3.64 billion SME, while apparel exports were up 2.2% to 2.6 billion SME in July as retailers prepare to stock up for crucial fourth quarter selling.

Apparel imports from China were down 0.83% in value to $14.2 billion worth of goods in July, continuing a recent period of tepid or negative growth for the once-dominant supplier, although they bounced back a bit in volume,, increasing 2.4% to 1.17 billion square meter equivalents (SME). Volume-wise, China saw its combined shipments rise 8.5% to 3.22 billion SME.

Among the Top 10 suppliers of apparel to the U.S., Vietnam, Bangladesh and Cambodia were the big winners, with India and Pakistan also faring well, as importers spread out their sourcing in light of ongoing trade tensions between the U.S. and China.

Cambodia's shipments of apparel to the U.S. rose 15.45% to $1.37 billion worth of goods. Imports from Vietnam increased 6.41% to $6.94 billion and Bangladesh's shipments were up 5.61% to $3.21 billion. Apparel imports from India rose 3.92% to $2.42 billion and shipments from Pakistan rose 6.85% to $781 million.

Indonesia had a tougher time, with apparel shipments to the U.S. dipping 3.7% to $2.61 billion. Honduras also saw a decline with apparel shipments sliding 1.5% to $1.41 billion, as did Mexico, with shipments dropping 2.38% to $1.99 billion.

Imports from Mexico could get a boost soon, though, with the U.S. and Mexico reaching a tentative agreement on a trade deal emerging from the North American Free Trade Agreement negotiations. In volume, Mexico's shipments were also up 1.07% to 74 million SME.

The U.S. also took in more apparel imports from the Western Hemisphere, Africa and the Americas. Among countries in Central and South America and the Caribbean, Guatemala's shipments rose 14.8% to $126.92 million, Peru's increased 50 percent to $73.28 million, Haiti's were up 15.1% to $81.78 million, and the Dominican Republic's rose 7.3% to $73.05 million.

Coming out of Africa, imports from Kenya gained 99.4% to $47.7 million, Egypt's shipments advanced 11.1% to $80.5 million, Madagascar's increased 59.4% to $20.82 million and Ethiopia's were up 167 percent to $9.9 million.

The U.S. trade deficit—which has been President Trump's biggest main point in trade—was $50.1 billion in July, up from $45.7 billion in June, the Census Bureau and the U.S. Bureau of Economic Analysis reported. U.S. exports of textiles of apparel increased 4.59% in the month to $13.59 billion, with apparel shipments rising 5.61% to $3.34 billion.

Source: sourcingjournal.com- Sep 08, 2018

HOME

****

Chinese companies flee overseas to avoid US tariffs

A growing number of Chinese companies are adopting a crafty way to evade US President Donald Trump's tariffs: remove the "Made in China" label by shifting production to countries such as Vietnam, Serbia and Mexico.

The world's two largest economies have been locked in a months-long trade fight after Mr Trump imposed 25 per cent customs duties on US$50 billion worth of Chinese goods this summer, triggering a swift tit-for-tat response from Beijing.

Chinese factories making everything from bikes to tyres, plastics and textiles are moving assembly lines abroad to skirt higher customs taxes on their exports to the United States and elsewhere, according to public filings.

Hl Corp, a Shenzhen-listed bike parts maker, made clear to investors last month that tariffs were in mind when it decided to move production to Vietnam.

The factory will "reduce and evade" the impact of tariffs, management wrote, noting Mr Trump hit e-bikes in August, with new border taxes planned for bicycles and their parts.

Mr Trump warned last week those tariffs - targeting US$200 billion in Chinese imports - could come "very soon".

"It's inevitable that the new duties will lead companies to review their supply chains globally - overnight they will become 25 per cent less competitive than they were," said Christopher Rogers, a supply chain expert at trade data firm Panjiva.

Supply chains have already begun relocating out of China in recent years as its rising labour and environmental protection costs have made the country less attractive.

Tariffs are adding fuel to the fire, experts and companies say.

"China-US trade frictions are accelerating the trend of the global value chain changing shape," said Cui Fan, research director at the China Society of WTO Studies, a think tank affiliated with the commerce ministry.

"The shifting abroad of labour-intensive assembly could bring unemployment problems and this needs to be closely watched," Cui said, adding the shift would not help the US's overall trade deficit.

CHINESE FIRMS RACE ABROAD

The growing list of foreign firms moving supply chains away from China - toy company Hasbro, camera maker Olympus, shoe brands Deckers and Steve Madden, among many others - already has Beijing worried.

Less discussed are the Chinese factories doing the same.

Zhejiang Hailide New Material ships much of its industrial yarns, tyre cord fabric, and printing materials from its plant in eastern Zhejiang province to the US and other countries.

Mr Trump's first wave of tariffs on US$50 billion in goods this summer hit some of its exports; the next round of US$200 billion looks like it will hit several more.

"Currently all of our company's production is in China. To better evade the risks of anti-dumping cases and tariff hikes, our company has after lengthy investigation decided to set up a factory in Vietnam," executives told investors last month.

"We hope to speed up its construction, and hope in the future it can handle production for the American market," a company vice-president said of the US$155 million investment that will ramp up production by 50 per cent.

Other moves abroad spurred on by tariff risks include a garment maker going to Myanmar, a mattress company opening a plant in Thailand and an electronic motor producer acquiring a Mexico-based factory, according to public filings from the firms.

Linglong Tyre is relying mostly on low cost credit to build a US$994 million plant in Serbia.

The entire tyre industry faces a "grim trade friction situation", Linglong told investors last month, citing "one after another" anti-dumping cases against China.

"Building a factory abroad allows 'indirect growth,' by evading international trade barriers."

BIKE INDUSTRY SHIFTS GEAR

China's bike industry faces a similar pivotal moment. The centre of manufacturing will shift away from China in the future, bike part maker H1 Corp told investors when announcing its Vietnam factory.

Some of Hl's customers started moving production - especially of e-bikes - to Vietnam, said Alex Lee, in charge of global sales at Hl Corp.

"First of all there is no anti-dumping tax on Vietnam," Mr Lee said, adding labour costs were lower there as well.

China's growing e-bike industry faces duties not only from the US but also the European Union, which slapped provisional anti-dumping tariffs of 22 to 84 per cent on Chinese-made e-bikes in July, alleging Chinese companies benefited from cut-rate aluminium and other state subsidies.

The state support Chinese companies receive is key to the Trump administration's case in taxing Chinese goods, but Hl shows how companies may continue to benefit even after shifting some of their production overseas.

Government subsidies, including millions of yuan to "enhance company competitiveness", eclipsed H1's profit during the first six months of the year, its filings show.

Still the company went ahead and bought an operating factory in Vietnam.

Mr Lee noted they had transferred mass production of aluminium forks and steering parts to the new plant from their factory in Tianjin.

Source: businesstimes.com.sg- Sep 11, 2018

HOME

****

UAE's apparel imports from India falls 59 per cent

The United Arab Emirates (UAE) was India's second largest apparel market after the US in 2017. However, imports from India dipped drastically by 59.26 per cent during the first half of 2018. India's shared dwindled both in knits and woven categories significantly.

Knitted apparels export witnessed a massive fall of 60.73 per cent. Woven garments declined by 57.36 per cent.

The declining trend is certainly a worry for India, since the UAE contributes 20.14 per cent to Indian's apparel export in value terms.

It's pertinent that for the first four months of fiscal '18, there was a 17.8 per cent growth in garment exports to the UAE. The otherwise top destination, United States, saw only a 1.5 per cent growth in Indian shipments.

Falling exports can be attributed to many reasons. The UAE's overall textile and apparel imports have been declining for three years.

The five per cent VAT as well as an increase in fuel and electricity prices following the crash of oil prices in the international market has hit the country negatively.

The ongoing recession in the UAE is hurting consumer spending badly. Changing consumer shopping pattern is impacting retail business, pushing buyers to cut import orders.

Source: fashionatingworld.com - Sep 10, 2018

HOME

****

Indonesia seeks more FTAs to push up textile and apparel sector

The textile and apparel industry in Indonesia wants downstream products to be protected from the onslaught of imports. Other aspects that need improvement include electricity tariffs, ease of distribution and quality of human resources.

For Indonesia, trade agreements with partner countries can increase both export value and market share.

The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) which expected to be ratified in November 2018 could have an impact on increasing the market share of apparel exports to Australia.

Indonesia is also looking to complete trade agreements with key partners such as the United States and the European Union, which are the main destinations for Indonesia's textile exports.

With such agreements in place Indonesia expects its exports of textile and textile products to increase three-fold.

The cooperation agreement with Japan has helped increase Indonesia's exports. Till now, lack of market access has been a constraint for the textile industry. Meanwhile, textile products from neighboring countries, such as Vietnam, can enter with a zero per cent import duty.

At present, the market share of new domestic textile products is around 1.8 per cent while in Indonesia the textile industry has been integrated from upstream to downstream so that the potential for development is still large.

Source: fashionatingworld.com - Sep 10, 2018

HOME

****

Vietnam shines despite Southeast Asia's struggles with trade and emerging market pressures

Vietnam — with its economy growing at its fastest pace in eight years in the first half of 2018 — is defying the stress in emerging markets as its Southeast Asian rivals face an uncertain outlook driven by trade war risks and a stronger dollar.

The threat of an escalating global trade conflict is weighing on prospects for export-dependent economies like Singapore and Malaysia, while Indonesia and the Philippines face challenges funding their high levels of external debt as their currencies come under pressure from a rising U.S. dollar.

Despite the spillover into Asia, Vietnam's geographical proximity to China and its historically strong political and economic links with Beijing are paying dividends.

Facing cost pressures created by U.S. trade tariffs, Chinese manufacturers are starting to shift production away from the mainland into cheaper Asian locations such as Vietnam and Bangladesh. South Korean, Japanese and Taiwanese firms are already invested in Vietnam.

Many of the countries in ASEAN — the Association of Southeast Asian Nations — are in a far stronger economic position than during the financial crisis of the late 1990s.

But the latest fluctuations from emerging market worries, together with global trade frictions, raise questions about who will be impacted the hardest, what the contagion risk for the region will be like, and how best to limit the impact of outflows and currency weakness.

Policymakers and business leaders meeting in Hanoi at the World Economic Forum on ASEAN will attempt to discuss ways to mitigate what Mizuho strategists call a "double-barrelled U.S. shotgun" of a more hawkish Federal Reserve and U.S. President Donald Trump "upping the ante on trade war risks."

"What we are looking at now is a sign of regional EM (emerging markets) differentiation, because certain markets don't warrant the negativity," said Dwyfor Evans, the head of Asia Pacific macro strategy at State Street Global Markets.

"If the U.S. is unable to offset lower Chinese imports by reshoring manufacturing, then continued strong demand conditions in the U.S. will have to be met from alternative sources," he said. "I will not import toys from China. Instead, I will import from Vietnam, so trade wars and protectionism actually end up as a positive for Vietnam."
Foreign investors

Vietnam received an estimated $11.25 billion in foreign direct investment (FDI) in the January to August period, up 9.2 percent from the same period a year earlier, the investment ministry said last month. In 2017, Vietnam received a record $17.5 billion in FDI.

"A lot of companies are relocating," said Robert Subbaraman, head of emerging markets economics at Nomura told CNBC on Monday. "FDI inflows in particular have been very strong and have been providing good balance of payment support for Vietnam."

Though current fundamentals look "pretty good," Subbaraman said Vietnam must exercise caution on the fiscal front. Policymakers must ensure the budget deficit doesn't blow out and the economy doesn't overheat. "That often happens when you get the very strong inflows and companies moving in."

Michael Langford, executive director at Airguide, a corporate advisory and consultancy, said Sino-U.S. trade tensions "politically will tighten the relationship between China and Vietnam."

"Many Chinese firms have factories located in Vietnam now. Companies from battery manufacturers like Vision, through to furniture and textile manufacturing," he added.

Vietnam may yet be a victim of its own success as it moves up the value chain from low-margin textiles to high-tech products.

"Binary risks around growth are intensifying as a protectionist U.S. puts the key exports engine at the risk of sputtering abruptly," said Mizuho's Vishnu Varathan in regional economic quarterly research published on Aug. 7. "We expect that longer term boost to inward investments into Vietnam remains a compelling proposition; as the natural 'flow down' of industries from China is hastened by trade war risks."

Vietnam is a heavily trade-dependent economy with a trade-to-GDP ratio of approximately 200 percent "and rising," according to Standard Chartered Bank economist, Chidu Narayanan.

Still, FDI inflows are set to remain high in 2018, led by manufacturing which makes up close to 50 percent of inflows, Narayanan said in research published in late June.

Standard Chartered expects both registered and implemented FDI to be close to $15 billion in 2018, moderating from $21 billion in 2017, he said.

"Vietnam has benefited from its participation in regional trade pacts, a young and educated population, a still-cheap and growing labour force, and geographical proximity to China," he said.

"This should continue to attract strong FDI inflows in the coming years."

Source: cnbc.com - Sep 10, 2018

HOME

****

India & Bangladesh: Trade, Synergies & China

Interview on the Trade Relationship between Bangladesh & India with Pratim Ranjan Bose, Chief of Bureau of The Hindu Business Line, Kolkata.

Ezilarsan PKP: How Bangladesh and India can combine their synergies in the textile so we both can complement each other?

Pratim Ranjan Bose: The synergy between businesses on both sides is low.

As per estimates available from Bangladesh Bank, as in 2016-17 (July-June); India was the second largest Import destination for Bangladesh (after China). However, India contributed barely 1.9% ($672 million) of Bangladesh's 34.65 billion export revenue). Naturally, India was nowhere in the list of the top export destinations released by Bangladesh Bank.

Pratim Ranjan Bose is the Chief of Bureau of The Hindu Business Line in Kolkata with specific interests in infrastructure, energy, development strategies and the Eastern neighbourhood of India. He is a Jefferson Fellow, has several research publications and authored a Bengali story book.

The indications are clear. Though India dismantled the duty barrier for imports from Bangladesh, as early as in 2011; there was not much trace of cross-border value chain creation. One reason behind is India's low FDI stock of $533 million (9th largest) as in March 2018 and Bangladesh's inability to attract more than $2 billion FDI a year.

The other reason is, Bangladesh is primarily textile (Ready-made garment or RMG) country, contributing 85% of its export revenue (other major areas are frozen food 1.36%, agri 2.2% and Leather products 3.57%). Unfortunately for them, India is strong in this sector.

Though our apparel exports are nearly half of Bangladesh's, Indian producers have better command over the textile value chain (as it has better access to inputs) and are catering the vast domestic market to the maximum possible extent. All put together, India's garment imports (total) are very low $773 million in 2017-18 (April-March), thereby offering limited scope to Bangladesh.

Add to this the overemphasis of Bangladeshi garment makers in catering demands in Europe and USA and, the value chain between two industries is limited in Bangladesh's import of intermediaries (like cotton yarn, fabric, accessories etc) from India. As in 2016-17 (July-June), nearly 26% of Bangladesh's cotton (all types) import was from India.

Having said this there are some welcome changes in the scenario in the recent past especially since the introduction of GST in July 2017. Abolition of 12% countervailing duty under GST and, the recent escalation of import duty on textile products from destinations other than FTA countries; offered a tremendous opportunity to Bangladesh.

The latest estimates released by Bangladesh Bank show, during January-March 2018, India was ranked ninth top export destinations of Bangladesh – a clear improvement in trade opportunities. In the three-month period, Bangladesh exported $195 million worth of goods to India. This was 37% higher than the same period in 2017.

The credit goes primarily to textiles. From July 2017 to May 2018; Bangladesh's total exports to India increased by $201 million, which is 30% more than the country's total export in the full year (July-June) of 2016-17. Unofficial estimates suggest that roughly $147 million export boost came from ready-made garments.

As I see it going forward, Bangladesh may optimise its locational advantage and the recent connectivity boost between the two countries, to grab a bigger share of India's apparel imports. The growth may primarily come at the cost of other import-destinations. This has also opened serious opportunities in cross-border value chain creation.

According to trade associations in Bangladesh MNC fashion retailers like Zara or H&M are now as a sourcing point to cater Indian market. While I do not know the flow of trade, chances are top retailers will source inputs and intermediaries from India and use Bangladesh as a finishing destination, meaning the benefits are shared between the two countries.

For Bangladesh, this is also a chance to move up on the value ladder in terms of value contribution than merely being the low-cost finishing destination (when compared to India). Such cross-border value chain exists between India and Sri Lanka.

Considering Bangladesh's comparative strength in garments, and the improving logistics, they can surely make the most in apparels.

Meanwhile, Bangladesh's dependence on Indian cotton inputs may also witness a rise as a result of the US-China trade war. Bangladesh currently imports 18% cotton (all types) from China, which is a cotton deficient country. A more integrated value-chain creation, therefore, may find, India and Bangladesh harnessing mutual advantages.

Ezilarsan PKP: As the world is moving towards automating everything and AI would be extensively used in the manufacturing industry how India can help Bangladesh to keep its edge in manufacturing?

Pratim Ranjan Bose : Bangladesh has very low or negligible base in manufacturing due to variety of reasons, starting from low access to finance (project finance is nearly non-existent and whatever is done through State-owned banks mostly on political considerations leading to the creation of bad debts) to poor transport infrastructure (the country is almost divided in two by the river Padma with limited rail interconnection), limited access to electricity, policy failures in the past to scarcity of land (barring a few island nations, it has the maximum population density in the world).

Energy cooperation with India, huge investment in infrastructure, (which includes a nearly $7.2 billion Indian line of credit) including the upcoming Padma bridge built with $3 billion Chinese finance and the decisions to set up SEZs (including three allotted for Indian companies) is creating foundations for future growth in manufacturing.

In the days to come, Bangladesh has to work on reforming its banking sector, reduce high duty barrier (Bangladesh's average applied tariff rate was the highest in South Asia and much higher than those of the countries in Southeast Asia) for optimising growth opportunities.

Branded retail is a classic example in this regard. Due to the high duty wall, Bangladesh couldn't attract sufficient investment from branded retailers of apparels, from India or elsewhere. The net result is such goods are taking the informal route to Bangladeshi market. Bangladesh is losing the revenue and market optimising potential.

I am not an expert on artificial intelligence. But the way I see it is, Bangladesh has to create an efficient manufacturing sector. To achieve this goal Bangladesh has to continue with its reform initiatives. Considering its proximity to India – both by land and sea- and the LDC status (which attracts fewer duty restrictions in global trade); Bangladesh should attract Indian FDI to be a part of the value chain.

The conducive atmosphere over the last 10 years saw Indian FDI growing despite the aftershock of the 2004-5, (when a big bang investment proposal from Tata Group failed to take off due to non-cooperation or inability of the then government in Dhaka). But the flow should grow faster. As an LDC, Bangladesh has a tremendous opportunity to promote itself as an export hub for Indian companies, which is yet to happen.

Ezilarsan PKP: How can India join hands with Bangladesh in other areas to compete with China?

Pratim Ranjan Bose : Politically, Bangladesh emerged as an important ally of India over the last 10 years. As contiguous geographies there are many areas to work with, starting from agri-horticulture technology to weather forecasting or transport logistics. For example, India's bid to optimise cheap river transport potential to North East will not be successful without Bangladesh. The gains are shared. Just as cement can be transported to North East India from Kolkata at a cheaper cost; Bangladesh can use the opportunity to tap opportunities in river-logistics sector.

At the government level, the two countries are increasingly expanding the areas of cooperation. However, a couple of problems are still persisting in this regard.

Harmonising standards: Due to long political isolation, there is a wide variance in standards and rules and regulations in two countries. For example, Bangladesh doesn't release HS-code based trade figures, which is an international practice. Similarly, lower axel-load restriction in Bangladesh is a hurdle for containerised trade.

Logistics gaps in India. While logistics gaps in Bangladesh affects every exporting nation; in so far as India's trade with neighbours is considered, the logistics gaps in India become a serious hurdle in optimising the opportunity.

In the prevailing road based India-Bangladesh trade goods travel way longer distance inside India. Naturally, inefficiencies on our side make trade costly. To give one example, a small Kolkata-based exporter got an order to supply rails to Bangladesh for their Nuclear power project. But the unfavourable terms put by Indian Railways in carrying the consignment to Gede(India)-Darshana(Bangladesh) border, may cost him the opportunity.

Safe play of Indian investors and traders. The Indian investors are still Westbound, as is amply proved by India's low FDI stock not only in Bangladesh but across the neighbourhood. Between 2006 and 2016, Indian business invested barely $2.2 billion in BIMSTEC countries that include a thriving Thailand. Chinese are way ahead in this respect. To optimise potential in the neighbourhood, vis-a-vis China, Indian businessmen have to look a little longer than mere trade opportunities.

Source: marketexpress.in- Sep 10, 2018

HOME

****

No call for US to fret over Vietnam trade surplus

The U.S. shouldn't be concerned about its current trade deficit with Vietnam, Deputy PM Trinh Dinh Dung said Monday.

Speaking at the one-day U.S.-Vietnam Business Summit in Hanoi, Dung said that increasing bilateral trade between the two countries was having a balancing effect, and there was no reason to be concerned.

Gelbert Kaplan, Under Secretary of Commerce for International Trade with the U.S. Department of Commerce, said Vietnam ranked fifth among the countries with which the US had the highest trade deficit last year. In Southeast Asia, it ranked the highest, he added.

But Dung noted that trade turnover between Vietnam and the U.S. has been increasing significantly in recent years, from $7.8 billion in 2005 to $54 billion last year. It had reached $27.4 billion in the first half of this year, he said.

"For this reason, the U.S. doesn't need to worry about Vietnam having a trade surplus. The balance of trade is getting more balanced," he said.

Vietnam's exports to the U.S. include agriculture produce, textiles and shoes, while it imports hi-tech products such as aircraft worth billions of dollars, the deputy PM said.

He added that as of June this year, the U.S. had 877 projects ongoing in Vietnam with a total capital of $9.37 billion, ranking it 10th among 128 countries and territories with direct investments in the country. U.S. imports exceeded exports by $566 million last year, according to the U.S. official data.

The U.S. was the largest trading partner of Vietnam in the first eight months this year, with $30.2 billion in trade turnover, according to the Ministry of Planning and Investment.

Source: e.vnexpress.net- Sep 10, 2018

HOME

****

Pakistan: Textile Asia-2018 ends with signing of JVs worth $175m

Asia's biggest international trade exhibition, Textile Asia-2018 concluded here on Monday with agreements of joint ventures (JVs) worth $175 million. The exhibition was jointly organised by Pakistan-China Joint Chamber of Commerce and Industry (PCJCCI) and E-commerce Gateway here at Lahore Expo Centre.

PCJCCI President SM Naveed and E-Commerce Gateway President Dr Khursheed Nizam were chief guests at the closing ceremony. Addressing the ceremony, Dr Khursheed said that more than 55,000 people visited the trade fair from different sectors of textile industry during the last three days.

A number of MoUs worth US$175 million in total had been signed for joint ventures, which would definitely help develop the textile sector in Pakistan on modern lines, he added.

On this occasion, PCJCCI President SM Naveed said that Chinese companies from different cities and provinces like Shanghai, Guangzhou, Jiangsu, Fujian and Shandong had shown their interest to relocate their textile, garment and accessories production units to Punjab, having investment of at least US$25 million for each unit.

The foreign companies had also agreed to transfer their technologies, besides buying back Pakistani products after value-addition through transfer of the modern technologies, he said, adding that the joint ventures to be concluded through Textile Asia would help enhance local exports, besides lowering down Pakistan's trade deficit with China.

Source: nation.com.pk- Sep 10, 2018

HOME

****

Bangladesh's exports to the US increase 5.83 per cent

As per latest US Census Bureau figures, overall value of Bangladesh's exports to the US increased 5.83 percent year-on-year to $3.63 billion in the first seven months propelled by higher apparel shipments. OTEXA also reveals export of apparel items grew 5.61 percent to $3.21 billion while Bangladesh moved to the third position from sixth with respect to garment export to the US.

Of Bangladesh's total export value, garment items account for over 90 per cent. China still holds the top position having exported $14.19 billion-worth garment items in the last seven months. However, China's garment export to the US declined 0.83 per cent year-on-year.

The inspection and remediation of factories as per recommendations of the Accord and Alliance has brightened Bangladesh's image. Both Accord and Alliance have already completed over 90 per cent remediation in the garment sector, mainly fixing electrical, fire and structural loopholes.

Some US retailers who had left Bangladesh a few years ago for countries like Myanmar were coming back with hands full of work orders. Moreover, a lot of work orders from China have also shifted towards Bangladesh as the country has become an expensive destination for higher cost of production and a shortage of skilled workforce.

Source: fashionatingworld.com- Sep 10, 2018

HOME

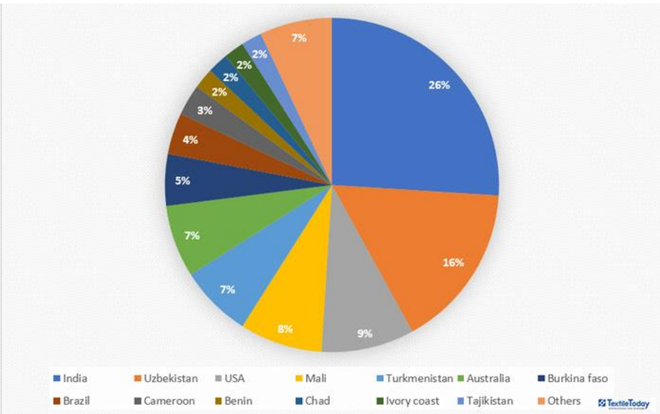
****

Bangladesh: Diversification of cotton sourcing is a crying need for spinning industry

In spite of being the 2nd largest RMG exporter country in the world and the upcoming denim king in the field of export, our primary textile sector i.e. spinning industries are totally depended on cotton import to manufacture the required amount of yarn in spinning industries. Bangladesh imports cotton from almost 42 countries around the world.

Statistics show that Bangladesh imports cotton from India approximately 26% but the real scenario is not exactly known. According to a business report of Maasranga Television, approximately 60 percent of cotton is imported from India. This means that we are going to push this emerging sector towards single-source dependency. This type of dependency especially towards India on the context of cotton business between India and Bangladesh is not good for sustainable cotton business. It is high time for us to diversify our cotton sourcing to overcome this situation.

Why single dependency can ruin our emerging sector gradually



In 2010, the Indian Government imposed restrictions on cotton export to Bangladesh that affected our textile value chain badly at that time. In recent years, the anti-dumping policy is imposed on Jute and jute products of Bangladesh. As a result, one of the main concerns of cotton-related industries is the unexpected implications from India to Bangladesh. This type of circumstances can create a catastrophic situation in our emerging Textile Industry.

No alternative except Indian cotton for local yarn

The spinning industry is producing yarn for two different market segments, one is the local yarn for the production of home textiles, and another is for export-oriented RMG and supportive industries. Actually, export-oriented yarn quality has a far difference with local yarn. Local spinners consume Indian cotton for producing local yarns for several reasons.

- Unavailability of several types of cotton like 29mm, 30mm, 31mm except for India. Sometimes they collect from other sources but cannot meet the quality yarn.
- The price difference between Indian cotton and another sources cotton on the context of same quality.
- Spinners are not so much concern about yarn quality.

Shohel Rahman, CEO of Bridge Asia Ltd opined that at present there is no alternative without Indian cotton for the production of local yarn due to the affordable price and lower lead time as well as availability.

It is a good news that some local entrepreneurs of Bangladesh are trying to replace Indian cotton with West African cotton. But, this is not on a large-scale production stage.

According to Director of Infinia spinning Ltd, Mominul Motin Tushar, “For proper coordination and proper quality management, we can replace Indian cotton with West African cotton.”

Local yarn market is in a critical situation due to wastage export to Abroad

In many cases, the yarn which is produced from cotton wastages in the spinning industry known as Rotor yarn that is used in home textiles and denim production.

Continual improvement of the denim industry, which is totally export-oriented, the demand for the local yarn is increasing. The whole denim market consumes local yarn that is generally used in home textile in huge amount and collected from the market at a higher price than the home textile consumer.

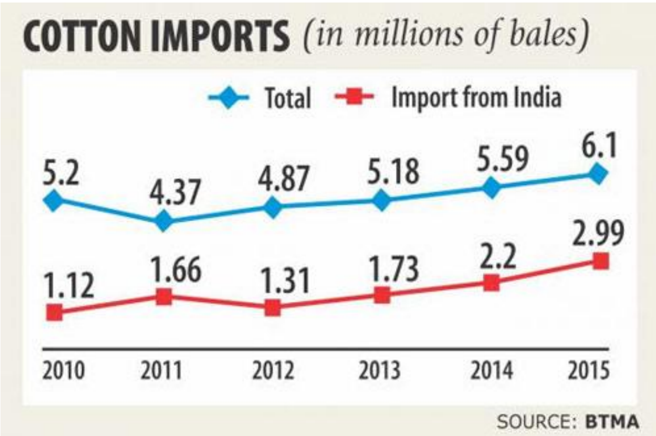
As a result, local spinners are showing an unwillingness to sell their yarn to home textile manufacturers. This causes the crisis of local yarn in home textile and affects their production at a serious rate as well as they feel concerned about losing the competitive market of USA with India and Pakistan.

According to a Daily star Report, Bangladesh Terry Towel and Linen Manufacturers and Exporters Association (BTTLMEA) proposed that the government should give permission for the duty-free import of 10 single, 16 single and 20 single open-end yarn (for towel production) through land or sea port from India or Pakistan, which would be 15-20 percent cheaper in price.

It was also proposed that a five-year cash incentive scheme for exports to the US market that would increase the export basket of these products from USD 1.2 billion to USD 2 billion over the period.

Putting in place measures to open up the market for importing raw material at most competitive rates and the implementation of policy measures that would not only protect the industry but also allow Bangladesh to effectively take advantage of the China-USA trade rift, where China's textile exports to the US may soon face further duties. It is a prime time to cash in on the China-US trade war and put Bangladeshi home textile/terry towel export in an advantageous position over India/Pakistan.

The possibility of source diversification of cotton in export-oriented yarn market



Owing to lower lead time, comparatively better quality, availability and competitive price, Export oriented yarn market consume the huge amount of Indian cotton every year that pushes the spinning industry towards single-source dependency. The rate of consumption of Indian cotton is increasing at an alarming rate. Previous year cotton import statistics from India is given below:

But, there are several possibilities in hand to go out from single dependency to diversification of cotton import source in Export-oriented yarn market to ensure sustainable cotton supply in our existing spinning industry. Various possibilities are given below:

Bangladesh can enter the supply chain of the different cotton initiative

Due to the worldwide environmental issue, sustainability and sustainable goal as well health and safety, different cotton initiatives are becoming popular day by day. They are keeping their great impact in global cotton supply chain continuously.

Different global brands and retailers have acknowledged the works worldwide. They offer various privilege towards manufactures whether manufactures use the different initiative cotton for their product manufacturing.

It is a good time for Bangladesh to join this new revolution and consume cotton from these sources and giving the privilege to attain higher price in their product as well as promoting the possibility of promoting sustainability that helps to diversify our RMG market. Different cotton initiatives are such as Better Cotton Initiative (BCI), Cotton Made in Africa (CIMA), Organic Cotton.

According to a cotton specialist, Abdul Wadud, CEO & Management Consultant at TRANSFORM opined that “There is no concern about the cotton quality of different cotton initiatives. Many manufacturers are using their cotton simultaneously.”

Mohammad Mahamud Alam, Deputy General Manager, Noman spinning Mills Ltd opined that “In our Noman Group, we use different types of cotton initiatives cotton according to buyer requirement because RMG exporters generally get extra privilege for using different cotton initiatives cotton for manufacturing products from foreign buyers.”

But, some uncertainties are existing in our country about the cotton quality of different cotton initiatives especially cotton made Africa and other initiatives. Many manufacturers seem that European and other western investors are trying to establish their business agenda in the name of sustainability and other issues.

According to Md. Majibur Rahman, General Manager, spinning Division of Envoy Textile Limited “We have several unpleasant experiences about the cotton quality of cotton made in Africa. At this moment, For the sake of buyer requirement, we use cotton made in Africa with cotton to attain our desired quality yarn as well as customer satisfaction.”

Actually, the possibility of consumption of different cotton initiative cotton creates the opportunity of diversification of cotton sourcing in disguise for Bangladesh. If Bangladesh capitalizes this opportunity, our spinning industry will be more stable and hassle-free.

Selection of cotton in an innovative way and better policy research optimization

Selection of raw materials in coordination with price and desired quality from different sources is an important factor in the cotton industry. Mill owners should be concerned about the cotton quality of different sources and go out from using cotton from the same source in the whole Year.

The Technical persons in the industry should think out of the box and use different sources cotton of the same quality in different time, and make them understand the owners about its importance for getting desired quality yarn as well as increasing profitability and resource optimization.

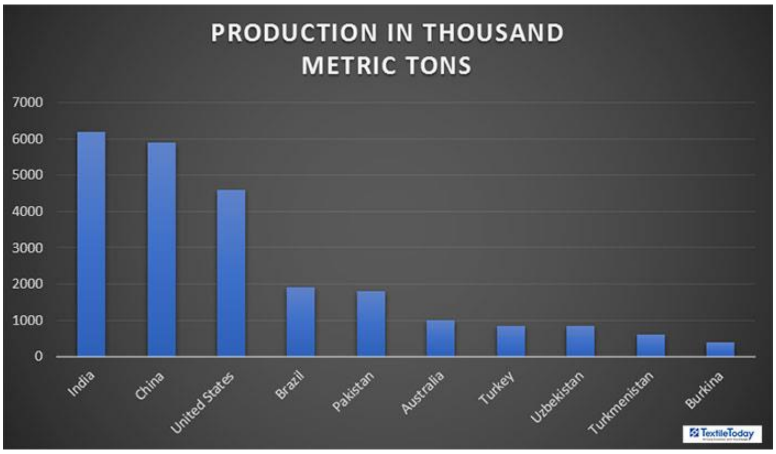
According to Shohel Rahman, "At the time of any cotton harvesting and initial storage, cotton quality is optimum and cotton quality is deteriorating with the time period. I give a suggestion towards spinners that you will collect any type of cotton from any source at the time of cotton harvesting."

He also added, '' Generally Indian cotton is harvested at the month of October. On the other hand, Australian cotton is harvested in the month of April. Everyone should use cotton at the time it's harvesting. Generally, Mill owners are usually using the same type of cotton around the year and arise different quality issue. Mill owners should use same type of cotton from different sources in the different time by proper cotton management and better policy as well as establish strong research and development wings where they test different sources of cotton in sample size"

Potential sources for cotton sourcing around the world

Besides India, Bangladesh is importing cotton from West Africa, East Africa, Brazil, CIS countries, The United States of America, Latin American countries and Australia. A proper balance should be considered for future cotton sourcing to reduce supply chain risk.

Though it is not easy to collect cotton from diversified sources in the perspective of Bangladesh, an investment for this in cotton import and corresponding financial and technical management will be worthy enough to remain safe in a volatile world.



Mohammad Mahbub Alam said, “Africa could be next big destination for cotton sourcing. In spite of the contamination problem, African cotton quality is increasing day by day. At present, we import approximately 20% of our total cotton import from Africa. If they can reduce lead time and ensure reliable financial technical structure in importing from African region that will provide a sustainable spinning sector in Bangladesh.”

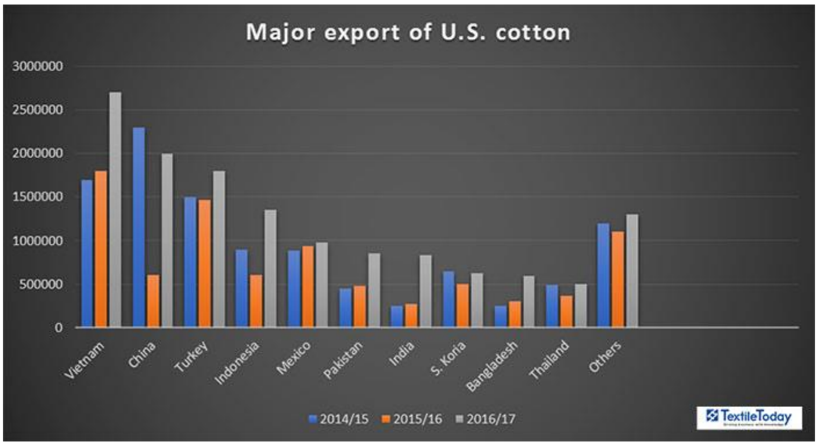
Shohel Rahman, CEO of Bridge Asia Ltd, said that most of the mill owners are feeling the interest to buy afloat cotton from West Africa and East Africa because it takes 10-15 days to rush our Chittagong port.

This procedure is very cost effective and hassle-free buying procedure rather than direct shipment from the African region, actually, shipment of cotton from Africa takes above 2 months or more to rush Chittagong port due to some unavoidable system loss. As a result, afloat cotton takes a great impact to consume a higher amount of African cotton Every year.”

The possibility of increasing US cotton consumption due to the battle of the commercial war

One of the biggest cotton producer’s countries of the world, USA is trying hard and soul to find out any alternative market due to the embargo on China. Recently, Cotton Council of USA and big merchants of Cotton USA reveal that they see Bangladesh as potential alternative market and trying to increase their export in Bangladesh at 10 percent rate in every year to sustain their cotton business around the world.

Cotton Council of USA addressed our government for the amendment of cotton fumigation rule, the capacity utilization and increasing the capacity of Chittagong port that causes for higher lead time for importing USA cotton. Actually, these constraints and higher price create an unwillingness to import cotton from the USA.



If Bangladesh resolves this issue, US cotton is going to get a level playing field in Cotton Business. Moreover, US cotton is in a critical condition to find out their potential alternative market. At this moment, If Bangladesh is successful to consume a higher amount of US cotton by proper price fixation, will create the huge possibility of product diversification in RMG industry and minimize the risk in the field of cotton business as well as to go out from single source dependency.

Shahriar Ahmed is a dynamic manufacturer whose company, Apex Spinning and Knitting Mills Limited, does weaving, all over printing, cut and sew, placement prints and make stitching.

He had problems with needle breakage and shade runs…until he was introduced to COTTON USA. Now, this valued partnership allows him to forge a long-term partnership deals with premium brands and retailers.

According to Shohel Rahman opined that Pricing of US cotton is a major concern for Bangladeshi Importers. Manufacturers of Bangladesh use US cotton in most cases for the production of white yarn where higher quality cotton is required.

They can't increase their customer at a satisfactory level in Bangladesh. Without price reduction, they cannot grab the Bangladeshi market in this competitive stage.

Conclusion

Proper coordination of all measures taken by the top to bottom stakeholders of cotton business in Bangladesh, strong and contemporary legislation Act as well as strong policy research and capacity improvement in Research and development and creation of required technical persons can gift us a sustainable spinning industry by diversification of cotton import at the supreme level.

Source: textiletoday.com.bd- Sep 08, 2018

HOME

****

No rollback of CPEC, Pakistan assures China

Pakistan and China have reacted angrily to a report in the London-based Financial Times (FT) newspaper that quoted some cabinet ministers as saying that Islamabad is considering renegotiating some agreements signed with Beijing under the multibillion-dollar multibillion-dollar One Belt, One Road (OBOR) initiative.

"The previous government did a bad job negotiating with China on China-Pakistan Economic Corridor (CPEC) — they did not do their homework correctly and did not negotiate correctly so they gave away a lot," Abdul Razak Dawood, the adviser to the prime minister on commerce and textile, was quoted as saying by FT in an interview.

A nine-member committee formed by the prime minister will "think through CPEC – its benefits and liabilities", he added, according to FT.

Soon after the report was published, Dawood said parts of his interview had been taken out of context. He said he would present a clarification in the evening. "I run the risk of being misquoted once again if I present one right now," he said.

Hours later, the commerce ministry issued a public rebuttal to the report. It said the news item was premised on "out of context" statements.

The document "rejected the report especially its title". The ministry said both Pakistan and China had reiterated their "all-weather strategic partnership" and reaffirmed commitment to CPEC during foreign minister Wang's visit.

Pakistan should undertake reforms the way China did

"Pakistan reassured the Chinese side that CPEC is a national priority. China also highlighted the significance of CPEC… There is complete unanimity on the future of CPEC."

Statements attributed to Dawood have been taken out of context and distorted. Pakistan-China relations are impregnable. The government's commitment to CPEC is unwavering, it added.

Meanwhile China's embassy in Islamabad also took notice of the FT report.

"The Chinese Embassy in Islamabad has taken notice of the report in Financial Times regarding remarks by the honorable Adviser Razzak Dawood on the CPEC as well as the clarification issued by the Ministry of Commerce and Textile of Pakistan," it said.

"It is a firm consensus between China and Pakistan that CPEC is a mutually beneficial project and both the governments will carry it forward according to the needs of Pakistan and for the development of Pakistan," the Embassy said in a statement.

"Such ill-intentioned reports based on distorted and misquoted information only demonstrate that the report contributor has total ignorance and neglect of the CPEC or China-Pakistan traditional partnership," it added.

Earlier, the newspaper claimed that Islamabad is set to review deals concluded under Beijing's Belt (BRI) and Road Initiative.

Top government functionaries said the Pakistan Tehreek-e-Insaf (PTI)-led government will look into BRI investments and renegotiate a trade agreement inked a decade earlier. The agreement extends unfair advantages to Chinese firms, they said.

Prime Minister Imran Khan has constituted a nine-member committee to evaluate CPEC – the most ambitious part of BRI. The $62 billion-initiative includes a grand revamp of Gwadar, road rail links and power plants worth US$30 billion.

Chinese Foreign Minister Wang Yi hinted at Beijing's willingness to renegotiate the 2006 trade deal over a recent weekend visit. "CPEC has not inflicted a debt burden on Pakistan. When these projects get completed and enter into operation, they will unleash huge economic benefits."

Dawood suggested placing "everything on hold for a year" till the government got its "act together. "Perhaps we can stretch CPEC out over another five years or so."

Many functionaries support the idea of extending debt terms and spreading projects over a longer period of time in place of a blanket conclusion.

Islamabad is in the throes of a financial crisis. The government is mulling over a 13th International Monetary Fund (IMF) bailout with an under-pressure rupee rendering debt servicing arduous.

Finance Minister Asad Umar said he was "evaluating a plan that would allow Islamabad to avoid an IMF programme." New loans from China and possibly Saudi Arabia may present an alternative.

Both, Umar and Dawood emphasised Islamabad would tread with caution over the CPEC review to not offend Beijing. "We don't intend to handle this process like Mahathir," told the publication.

Source: tribune.com.pk- Sep 10, 2018

HOME

****

Ethiopia expects earning over USD 200 M from apparel and textile

The Ethiopian government has taken a 15-year national cotton development strategy to boost their textile industry

Desk Report

Ethiopia has eyed to earn 240 million US dollars from textile export in the current fiscal year. State Minister of Industry, Bogale Feleke informed that the sector is going to receive more priority in foreign currency earnings compared to other sectors.

According to an Ethiopian news agency report, textile and apparel sector is considered as one of the key industrial sectors, prioritized by the government as a source of foreign currency earnings to offset the current shortage in hard currency.

“An agreement has been signed with the National Bank and Development Bank of Ethiopia on ways of efficiently releasing the foreign currency for transactions in textile and apparel sector in the current fiscal year,” Bogale Feleke added.

Around $110 million was secured by the export sector in the last fiscal that was only 46 percent of the plan for the year.

Bogale Feleke pointed out that the drawbacks in lower export earnings is attributed to lower exports, shortage of cotton, lack of trained manpower, instability in some parts of the country.

“The Ethiopian Government has prepared a 15-year National Cotton Development Strategy to tackle cotton shortage,” he continued.

According to the report, Ethiopia is going to harvest a huge amount of cotton for export and to satisfy the demand of the local textile industry.

Silesh Lema, Director General of Textile Industry Development Institute, expected, “Textile industry is generating a small amount of foreign exchange, maximum effort is being undertaken to enhance foreign currency earnings from the sector.”

He further added that to start as lack of proper market linkage with reliable buyers, the institute is striving in expanding market opportunities and obtaining potential buyers in the global market.

Source: textiletoday.com.bd- Sep 10, 2018

HOME

****

Bangladesh: BGMEA wants tax cuts to cope with wage hike

Garment factory owners yesterday decided to negotiate with the government for gaining benefits like cash incentives or tax waivers to cope with an increase in wages for workers.

They also suggested adjusting the salaries in line with inflation instead of forming a wage board every five years.

“We will try to get benefit from the government in the form of cash incentives or tax waivers to adjust to increasing the wage of workers,” said Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

He was addressing an emergency general meeting on the wage board at BGMEA Bhaban in the capital.

“You keep faith on me over negotiations with the government,” he assured garment factory owners.

He also said the moment was not favourable for them as the national parliamentary election was knocking at the door. For this the salary has to be increased as per the needs and abilities of the owners, he said.

Earlier the BGMEA proposed to raise the minimum wage to Tk 6,360 from the existing Tk 5,300 keeping inflation in consideration.

Shafiul Islam Mohiuddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, said the wage board issue would not get due importance for the general election.

He criticised some intellectuals who spoke in favour of hiking the salary, saying they were provoking the workers into going for a movement.

"We will keep confidence on the BGMEA board and its president regarding the negotiation," he noted.

"If we have to increase the salary, the government will have to reduce our tax and increase incentives," Mohiuddin said.

Tipu Munshi MP, a former BGMEA president, said, "We would not have faced any challenge in increasing the salary of the workers if they had been efficient".

He also suggested increasing the salary by 28 percent to adjust to inflation and to be calculative for the sake of the industry. The BGMEA suggestion is a hike of 20 percent.

Other current and former members and heads of the BGMEA and Bangladesh Knitwear Manufacturers and Exporters Association addressed the meeting.

Source: thedailystar.net- Sep 10, 2018

HOME

****

Tajikistan keen on garments, tea from India: Envoy

Tajikistan is interested for more trade with India in sectors like garments and tea, according to the country's ambassador to India Jalolov Mirzosharif.

Indian jackets, T-shirts and boots had great visibility in Tajikistan a few years back but Indian producers and exporters perhaps could not keep pace and other nations like China took over, he said.

Indian tea used to have and still has a good reputation in Tajikistan, but is not available there, Mirzosharif told a meeting organized by the Federation of Indian Export Organisations (FIEO) in New Delhi recently.

The economic relationship between India and Tajikistan was elevated to strategic partnership level in 2012, making the latter the third central Asian country to sign such an agreement with India, a news agency report quoted him as saying.

FIEO eastern region chairman Nari Kalwani said the bilateral trade between the two nations rose from $20.44 million in 2016-17 to $23.97 million in 2017-18.

Source: fibre2fashion.com - Sep 11, 2018

HOME

****

Around 67 Bangladesh factories obtain LEED certification

In Bangladesh, 67 green garment factories have already obtained LEED (Leadership in Energy and Environmental Design) certification from the US Green Building Council (USGBC) and over 300 more are waiting to be certified.

The garment sector's strong green initiative was noticed in the survey of the Partnership for a Cleaner Textile (PaCT) of the International Finance Corporation. Local suppliers are also contributing by saving water, energy and environment.

Around 250 textile factories in Bangladesh have invested $39 million to save 21 billion liters of water a year. Currently, 1,700 factories run effluent treatment plants (ETPs) in their factories to save the environment.

Although the factory managements of these units regularly report to the Department of Environment (DoE), they need to improve the performance of the ETPs.

The DoE will start monitoring the operations of these ETPs online in 500 factories to obtain better results from the plants.

Source: fashionatingworld.com- Sep 10, 2018

HOME

****

NATIONAL NEWS

Cotton exports touch 69 lakh bales till Aug 31: CAI

The CAI has retained its cotton crop estimate for the ongoing crop year 2017-18 at 365 lakh bales of 170 kgs. each i.e. at the same level as in its estimate made in the previous month.

Cotton Association of India (CAI) has released its August estimate of the cotton crop for the season 2017-18 beginning from 1st October 2017.

The CAI has retained its cotton crop estimate for the ongoing crop year 2017-18 at 365 lakh bales of 170 kgs. each i.e. at the same level as in its estimate made in the previous month.

The CAI has projected total cotton supply upto 31st August 2018 at 407.50 lakh bales which consists the arrival of 358.00 lakh bales upto 31st August 2018, imports the Committee has estimated at 13.50 lakh bales and the opening stock at the beginning of the season as on 1st October 2017 which the Committee has estimated at 36 lakh bales.

Further, the Committee has estimated cotton consumption for 11 months i.e. from October 2017 to August 2018 at 297 lakh bales at 27 lakh bales per month while the shipment of cotton till 31st August 2018 has been estimated at 69 lakh bales.

The stock at the end of August 2018 is estimated at 41.50 lakh bales including 30.40 lakh bales with textile mills while the remaining 11.10 lakh bales are estimated to be held by CCI and others (MNCs, traders, ginners, etc.).

The projected yearly Balance Sheet for the Season 2017-18 drawn by the CAI has estimated total cotton supply till end of the season i.e. upto 30th September 2018 at 416 lakh bales of 170 kgs. each which includes opening stock of 36 lakh bales at the beginning of the season.

The CAI has estimated domestic consumption for the season at 324 lakh bales while the exports are estimated to be 70 lakh bales.

The carry-over stock at the end of the 2017-18 season is estimated by the CAI at 22 lakh bales.

Source: economictimes.com- Sep 10, 2018

HOME

****

Evolve policy to shield MSMEs from cotton price rise: Spinners

South India Spinners Association (SISPA) on Monday urged the Tamil Nadu government to come out with a policy to protect MSMEs (micro,small, medium enterprises) in the wake of rise in price of cotton.

For this purpose, the government should esnure buffer stock of cotton and affordable raw material pricing mechanism, the association said in a press release.

The beneficiaries of the increase in prices are multinational companies (MNC) traders and the Cotton Corporation of India, the release quoted the president of SISPA S K Rangarajan as saying.

The ones affected were end-users and the farmers as the companies and traders buy cotton at MSP (minimum support price) and hoard them only to inflate the prices later, he said.

The SME mills do not have the financial capacity to buy cotton and store it, the SISPA president said.

In April, the price of cotton was hovering around Rs 38,000 per candy-level and reached Rs 48,000 in June, he said, adding that the SME sector was unable to repay their bank loan, resulting in NPAs (non-performing assets).

Source: business-standard.com- Sep 10, 2018

HOME

****

Govt waives off late fee on GST returns

The government has launched a one-time scheme to waive late fee for delayed furnishing of filing the goods and services tax (GST) return-1 form for the period July 2017 to September 2018, to encourage taxpayers to furnish the returns.

The waiver, which will be effective till 31 October 2018, provides a lot of relief to businesses and traders, who have to file a summary of the transactions made every month in the GST return-3B form and a filed a detailed return of the sales in the GST return-1 form.

The GST return-1 form is a vital tool for the authorities in combating tax evasion as it gives details about the buyer. However, tax authorities have noticed that filings of the detailed sales return is lower than the summary return filings.

“Non-furnishing of GST return-1 is liable to late fee and penalty as per law. In order to encourage taxpayers to furnish GST return-1, a one-time scheme to waive off late fee payable for delayed furnishing of GST return-1 for the period from July 2017 to September 2018 till 31 October 2018 has been launched,” said the finance ministry.

Giving more time to businesses to file details of their sales makes sense as information contained in GST return-1 is of immense value to tax officials. It enables officials to find out who the buyer is, the quantum of purchase and whether the buyer has filed his return and paid taxes on subsequent transactions. Giving extra time for filing GST return-1 to businesses will help the authorities take strong anti-evasion measures in the future.

“GST return 1 is very intrinsic to the overall scheme of GST and an extension of the timelines would accelerate filings, “ said M.S.Mani, Partner, Deloitte India.

The ministry said that the due date for businesses with more than ₹1.5 crore, including those registered in Kerala, to file GST return 1 for the period July 2017 to September 2018, has been extended till 31 October 2018. This extension is also applicable to those entities with their principal place of business in Kodagu in Karnataka and Mahe in Puducherry.

Smaller tax payers, with annual sales less of than ₹1.5 crore, too, can also file GST return 1 without fine till the end of October. However, small tax payers in Kerala and those with their principal place of business in Kodagu and Mahe, the deadline will continue to be 15 November as announced last month.

The ministry also advised tax payers to file returns on time so that their tax credits do not lapse.

Source: livemint.com- Sep 10, 2018

HOME

****

SME cotton mills in Tamil Nadu go for production cuts

The small and medium (SME) spinning mills in Tamil Nadu, which manufacture cotton yarn, have curtailed their production during night shifts and weekends due to abnormal increase of cotton price. The skyrocketing of cotton prices every year during the off season has affected the SME mills in Tamil Nadu.

The South India Spinners' Association (SISPA), in a release on Monday said, the beneficiary of the spike in cotton prices are multinational companies, traders and CCI.

Cotton during the peak arrival season is procured from farmers at MSP rates and hoarded by multinational companies, traders and CCI. The SME mills do not have the financial capacity to buy cotton and store till the next season.

After the cotton season gets over the above companies unilaterally create an artificial vacuum in the market and within a month they inflate the price of cotton by nearly eight to ten thousand rupees a candy. It pointed out that during April 2018 the cotton prices were ruling around Rs 38,000 per candy level whereas the by the end of June it has reached R48,000 per candy.

“We do not understand what has warranted the traders to inflate the cotton prices to this level. Enormous profits are earned by the multinational companies' big traders and CCI,” said SK Rangarajan, president, SISPA.

The SME spinning sector inevitably buys cotton for its usage on monthly basis resulting in incurring huge cash losses every year. The SME Mills sell their yarn in the domestic market and are unable to fetch higher yarn prices incurring phenomenal losses and sustainability.

Source: financialexpress.com- Sep 11, 2018

HOME

****

Pink bollworm: Demand for herbal pesticides increases

The state's agriculture department has made a strong push for homemade neem-based pesticides to deal with pink bollworm pest which has hit the cotton fields for third year in a row.

The pest infestation happened despite farmers using genetically modified Bt seeds which were billed to be resistant to bollworm. The departmental drive has also led to a shortage of herbal products available off the shelf. The farmers have also reported cases of black marketing. The neem pesticide prevents egg laying as the female pest is averse to the smell.

The purpose behind pushing herbal pesticide was also to prevent inhalation deaths that took place last year. This year, one death was reported due to pesticide inhalation. Number of patients falling sick due to inhalation has crossed over 150 in government medical colleges of Yavatmal and Akola.

The department backed by the Central Institute of Cotton Research (CICR) is advocating use of neem seed powder or oil which is easily available in the villages. Officials say it is for the first time that there has been a major thrust by the agencies on using herbal remedy and it has helped. So far, farmers predominantly used chemicals.

However, even as the department has been advising farmers to make the antidote on their own, many have gone for the ready-made products available off the shelf. Ready-made formulations have azadirachtin which is an extract found in neem. Over the counter sale of the products requires a licence.

Instead of making it at home, the farmers have preferred to directly buy the products.

The huge demand for herbal pesticides has also led to shortages in different pockets, admit officials. A container ranges anywhere between Rs400 to 1,700 depending on the power. As against this, chemical pesticides, which farmers have been using traditionally, costs for a couple of hundreds or so, they say.

Farmers said the neem seeds are available in the month of May and the campaign started subsequently. As a result, they had to depend on the ready-made formulation. “Some of players also tried to push in unregistered products,” said sources.

Subhas Nagare, deputy director agriculture (Amravati division), said there has been a major use of neem pesticide in the division which is a cotton belt this year. Nagare, who admitted that the department had taken a drive this year, said so far the farmers only depended on the chemicals which were strongly marketed.

Farmers, who accept that the pest has been controlled, said it can also be due to the climate which has not been favourable for the pest.

Vinod Kandkirad a farmer from Selodi village over 40 kms from Yavatmal town said the rates had gone up due to the demand. “The pest has been controlled. But this can be due to climatic conditions rather than the neem herbicide,” he said.

Coming 4-5 nights crucial

The coming 4-5 nights will be very crucial for the farmers to deal with the pink bollworm. The pest has a tendency to lay eggs during dark nights following the new moon. These would fall in the coming week, Even as the lunar cycle has come earlier, now it is perfectly timing with the flowering stage of the cotton crop.

Officials says if enough care is taken during the period, the further infestation can be done away with. If not the cotton grower will have to once again face another attack The department is geared up to meet the challenge.

Source: timesofindia.com- Sep 10, 2018

HOME

****

Brexit augurs well for India-UK trade talks: Graham Stuart

UK Minister hopes to make progress in relaxing post-study work-visa rules

With the UK set to exit the European Union in less than a year, the British government is exploring ways to intensify trade and investment ties with India on a bilateral basis. UK Minister for Investment Graham Stuart, who was recently in India to look for partnerships in the area of clean transport technology, believes that Brexit could augur well for trade ties between the two countries as a free trade pact would be easier to ink without the sensitivities of other EU members weighing it down. In an interview with BusinessLine, Stuart spoke on a wide range of issues including growing bilateral trade ties, scope of cooperation in the clean-tech area and the possibility of easing of post-study work visa rules. Excerpts:

Following the UK's scheduled exit from the EU next year, how do you see the country's trade ties with India?

The big picture is that there is a growing trading relationship between the UK and India. There is close political working as well. As we leave the EU we do so as the number one foreign direct investment (FDI) destination in Europe, the number one destination for Indian companies who invest in Europe and the largest European destination to invest in India since 2010.

We are mutually investing in each other's economy and we have common goals such as sustainable transport and development of our technology industries. I hope that our friendship and economic ties will only grow from strength to strength.

India and the EU have made no headway in their FTA talks which began more than a decade ago. Do you see things changing after Brexit?

We had strongly supported a suitable FTA between India and the EU. It had its challenges and we haven't completed it yet.

I think when the UK is no longer a member of the EU there would be ways in which it is easier for the two sides to reach an agreement.

There is opportunity for us going forward to negotiate on a bilateral basis arrangements that are mutually beneficial. And when the other states are not part of it, there are many interests that you don't have to protect. There were a number of things that were causing friction and challenges in the India-EU context that will not exist in the India-UK context.

How soon can the negotiations on a India-UK FTA start?

One of our challenges right now is bandwidth. We are rolling over all our existing agreements with our partners around the world. We are negotiating with the EU. We are involved in trade dialogue and other working groups of all sorts and technology partnerships. For the last 40 years we had no one working on trade policies. That was all carried out by the EU. All that I can do is plead for patience from our key and tremendously important partners such as India.

There is an increased demand from UK universities for re-introduction of post-study work visas which may have impacted the number of students coming from countries like India. Do you see that happening?

The universities minister in the UK, a few days back, gave a speech suggesting that we would like to see greater openness. One is pleased to say that last year there was a 32 per cent increase in the number of Indian students coming to the UK. So I think we are on a healthy path.

What we are already seeing is a greater improvement in the behaviour of students, in terms of observing the rules and returning when they are supposed to.

Well I am not the one responsible for deciding on that policy (of re-introducing post-study work visas), as that would be within the realms of the Home Office.

But a pre condition for a more generous system is that we have clear observance of the rules and its fulfilment. So I think we are in a good position going forward and hope that we will be able to make progress.

You are in India to talk about cooperation in the field of clean transport at India's global mobility summit `Move'. What kind of partnership possibilities exist in this area?

We are a global leader in autonomous and electric vehicles. In fact, one in five electric vehicles sold in Europe is built in the UK. All vehicles sold in the UK have to be zero emissions by 2040. There is quite a correlation between Indian and UK ambition in the area. Both have got university bases, automotive company bases and engineering bases and we believe that collaboration is the key tackling the challenging issues.

Indian PM Narendra Modi and UK PM Theresa May signed a pact in April for tech partnership. This is another step in the road for that. Indian tech companies have massively invested in the UK and so it is a very significant relationship. I will be meeting Indian investors in UK and talk further about how we can cooperate and collaborate to meet the joint challenges. There are huge R&D capabilities in India that UK companies can tap into and vice-versa.

Could India's insistence on re-negotiating Bilateral Investment Treaties with all its trading partners, based on a more stringent model BIT designed to prevent disputes between investors and the government, be a deterrent to investments flowing in from the UK?

Well, potentially. But, we think that by close cooperation (it could be sorted out). There is a UK-India Joint Economic Trade Committee (JETCO) meeting coming up later this year and Liam Fox, UK's Secretary for trade, will be attending it. We got a trade dialogue going on. The Commonwealth summit earlier this year reinforced efforts from both sides to work together.

A tripartite approach, including cooperation between governments, regulators and businesses could work to sort out issues. When you bring the three together, then you can have a common vision of where you want to get to and then you can move along that path more quickly. I can see willingness from Indian side to learn from international experience and part of the reason for my visit is to show UK's intent to be a positive partner.

Source: thehindubusinessline.com- Sep 11, 2018

HOME

****