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IBTEX No. 76 of 2019 April 12, 2019

USD 69.31| EUR 78.22 | GBP 90.60 | JPY 0.62

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
22057	46100	**84.98**

Domestic Futures Price (Ex. Warehouse Rajkot), April

Rs./Bale	Rs./Candy	USD Cent/lb
21980	45938	**84.68**

International Futures Price

NY ICE USD Cents/lb (July 2019)	77.74
ZCE Cotton: Yuan/MT (September 2019)	15,900
ZCE Cotton: USD Cents/lb	107.33
Cotlook A Index – Physical	**87.20**

Cotton Guide: The weekly export sale figures were released yesterday which were good but not good enough as compared to the figures that were seen in the last week's report.

Net sales of 289,000 RB for 2018/2019 were down 10 percent from the previous week, but up 39 percent from the prior 4-week average. Increases were reported for Vietnam (91,700 RB, including 2,200 RB switched from South Korea and decreases of 1,400 RB), India (70,000 RB), China (43,600 RB, including decreases of 2,600 RB), Turkey (32,200 RB, including decreases of 1,300 RB), and Bangladesh (15,500 RB, including decreases of 800 RB). Reductions were reported for Pakistan (1,300 RB), Japan (1,200 RB), and South Korea (100 RB). For 2019/2020, net sales of 205,900 RB were primarily for Vietnam (131,200 RB), China (36,500 RB), South Korea (16,000 RB), Mexico (14,100 RB), and El Salvador (3,200 RB). Exports of 383,300 RB were down 7 percent from the previous week, but up 7 percent from the prior 4-week average.

Exports were primarily to Vietnam (73,600 RB), Pakistan (57,800 RB), Turkey (56,800 RB), China (53,000 RB), and Indonesia (23,700 RB). Net sales of Pima totaling 30,200 RB were up 87 percent from the previous week and 22 percent from the prior 4-week average. Increases were primarily for China (20,600 RB), India (5,200 RB), and Vietnam (3,500 RB, including 2,200 RB switched from Hong Kong and 900 RB switched from Macau). Reductions were reported for Hong Kong (2,200 RB) and Macau (900 RB). For 2019/2020, total net sales of 2,600 RB were for India. Exports of 21,000 RB were up 24 percent from the previous week and 53 percent from the prior 4-week average. The destinations were Vietnam (5,300 RB), India (3,900 RB), China (3,600 RB), Peru (2,800 RB), and Turkey (2,100 RB).

The markets were expecting a much better figure. On the other hand this positive figure did definitely stop the decline in prices which were weighed down by the strong dollar. The dollar index was up 0.3 percent. A stronger dollar makes commodities priced in dollars, such as cotton, more expensive for holders of other currencies.

Futures Based On:	Call Cotton Based New York				Open Futures Contracts ICE Futures U.S.	
	Unfixed Call Sales	Change From Previous Week	Unfixed Call Purchases	Change From Previous Week	At Close 04/05/2019	Change From Previous Week
May 2019	19,045	-1,137	7,514	-1,759	70,436	-17,880
July 2019	34,381	1,508	4,964	399	75,301	11,879
October 2019	0	0	0	0	12	0
December 2019	29,147	2,093	29,650	226	73,675	10,639
March 2020	12,212	358	1,540	78	9,294	798
May 2020	4,738	112	162	-35	451	-3
July 2020	4,831	22	18	0	309	54
December 2020	5,398	0	7,508	622	2,243	355
March 2021	828	0	309	0	7	0
May 2021	9	0	0	0	0	0
July 2021	4	0	0	0	0	0
Totals	110,593	2,956	51,665	-469	231,728	5,842

The ICE May contract settled at 76.98 cents/lb with a change of -64 points whereas the ICE July contract settled with a change of -72 at 77.74 cents/lb. The trading range for ICE July contract was 78.79 as the high figure and 77.62 as the low figure. The range was 117 points. The spread between the ICE May and ICE July contract was seen at +76 points with July being in premium. All the other ICE contracts also settled with considerable negative figures.

The total volumes yesterday summed up to 62,727 contracts as compared to the previous 55,734 contracts. The volumes are on a phase of transition from ICE May to ICE July contract. What is most noteworthy is the rolling of the funds from May longs into July by the biggest spec fund, Goldman Sachs. Total volume in the last 5 sessions summed up at 307,748 contracts. May has traded 142,707 contracts, July 121,602 contracts, and Dec 39,954 contracts. Total open interest declined by 2,082 contracts to 219,456 contracts. This was seen to be at the lowest level since February 25th which amounted to 218,417 contracts.

The CFTC cotton on call sales reports were released after the close. The biggest change was seen as an increase in the December on-call sales which increased by 2,093 contracts to 29,147 contracts.

Total on-call sales escalated to 110,593 contracts by 2,956 contracts. This was the 5th consecutive increase in on-call sales, up by 15,360 contracts over 5 weeks.

Total on-call purchases declined by 469 contracts from last week's all-time-ever high to 51,665 contracts. Total on-call purchases in the yesteryear amounted to 43,490 contracts.

At the domestic front, the MCX contracts settled with mixed figures. The MCX April contract settled at 21,980 Rs/Bale with a change of +30. The MCX May, MCX June and MCX July contracts settled at 22,260, 22,520, 22,700 Rs/Bale with a change of +30, +20 and -110 Rs respectively. Despite the international markets showing a more consolidated to positive approach, the domestic markets are tilting more towards the positive side.

The cotlook Index A has been updated to 87.20 with a change of -0.50 cents/lb. The prices of Shankar 6 are around 46,100 Rs per candy. The arrival figures are estimated to 61,000 lint equivalent bales (170 kg) (source cotlook) including 25,000 registered in Maharashtra and 23,000 in Gujarat. The timely election polling at different places can affect the arrivals figures.

On the Technical front the, ICE Cotton July futures witnessed decline towards the support at 77.60(21 day EMA). As shown in the chart price hit the higher end of the upward rising channel and witnessed decline. Meanwhile price is still moving above the short term EMA of 21 days at 77.60. In the daily charts positive crossover of 13 day EMA above the 21 day EMA supported the bullish bias in cotton futures. Moreover, the strength index RSI is holding above 50, which further strengthened rally in price. So for the day price is expected to remain in the range of 77.40 to 78.80 with sideways trend. In the domestic market April future is expected to remain in the range of 21820-22180.

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

US: The Apparel Industry Has Shifted Drastically—But have Supply Chains Really Changed?

Dramatic change can hardly take shape in the midst of like-minded people still surrounded by outmoded ideals.

Like a Democratic or Republican rally, a fraternity or a group of Gen Z BFFs, these cohorts validate one another's ideas, growing more confident in their singular way of thinking.

Change comes from different perspectives and from stepping outside of comfort zones, and the failure to embrace these two efforts is where the apparel supply chain has gone wrong.

Though the industry—whether at sourcing conferences, trade shows, during executive pitches and the like—has embraced all the right buzzwords that lend the appearance of evolution and advancement, few have quite unlocked the key to retail as they believe they have.

Really, sourcing executives are afraid to change.

What if they invest too heavily in data and technology and don't see a return? What if they bring in the wrong service provider? Or move production to the wrong country?

The more pressing question among these, however, is: what if they don't?

Is it better to watch yourself be replaced by new, innovative companies, while at the same time creating processes and paperwork to give the illusion of change and innovation when in actuality, the status quo has solidified its place in your business?

Deepak Chopra would say, "Every great change is preceded by chaos." And the supply chain's current chaos, whether companies are willing to embrace it or not, must at least be acknowledged and accordingly accommodated.

The sourcing sector's current corporate culture hasn't adequately embraced or acknowledged the chaos that comes with necessary change.

John Kenneth Galbraith, famed Canadian-born economist, may have put it best when he said, “Faced with the choice between changing one’s mind and proving that there is no need to do so, almost everyone gets busy on the proof.”

That ethos, unsurprisingly, isn’t serving the industry.

When business goes awry, sourcing executives are always quick to point fingers at their factory partners. It’s either that the factory can’t accommodate the need for more SKUs or fewer pieces per style or a quicker turnaround.

But how often have we flipped the script and heard from factories on where the actual breakdown in the supply chain lies? How can multiple brands work in the same factory and some have agile and efficient supply chains, while their counterparts are still operating like it’s 1995? It’s time to hear from factories and for brands to understand why they’re pointing the finger at everyone but themselves.

When it comes to trade, the ongoing war between the U.S. and China have occupied headlines for more than a year. All we talk about in the U.S., is how existing tariffs have damaged the industry and how potential additional tariffs stand to deepen the wound. On the flip side of that, though, are we asking factories in China how the trade war has impacted their supply chains?

On tech, which has fueled the need for change in global supply chains, the U.S. has largely been focused on its Big 4: Apple, Google, Amazon and Facebook. Increasingly, these tech giants are controlling how we shop, consume and communicate. And while their moves are worth watching and navigating, there’s a world of other leaders in tech whose strides will take the sector by storm while we sleep if we aren’t careful.

Alibaba and WeChat are just two China-based enterprises that are changing retail, manufacturing and logistics. To gloss over them is shortsighted and, really, foolish if we’re being frank.

At the upcoming Sourcing Summit: Hong Kong, “Accelerating Change,” on May 8, we’ll be flipping the script on the sourcing conversation in order to advance change in a real way.

We'll hear from the factory floor about where the bottlenecks to supply chain success are, we'll find out what the U.S.-China trade struggle means for modern factories on both sides of the Pacific, learn where China is leading on future-facing tech, and uncover how the sourcing sector's key leaders are changing the paradigm in the face of apparel's new world order.

It's clear our industry is slow to adapt, but let's stop defending or pretending we know our customers or have changed our business models. Let's start accepting our marketing positions, learn from as many insiders and outsiders as possible and be the change agents the industry really needs.

Source: sourcingjournal.com- Apr 11, 2019

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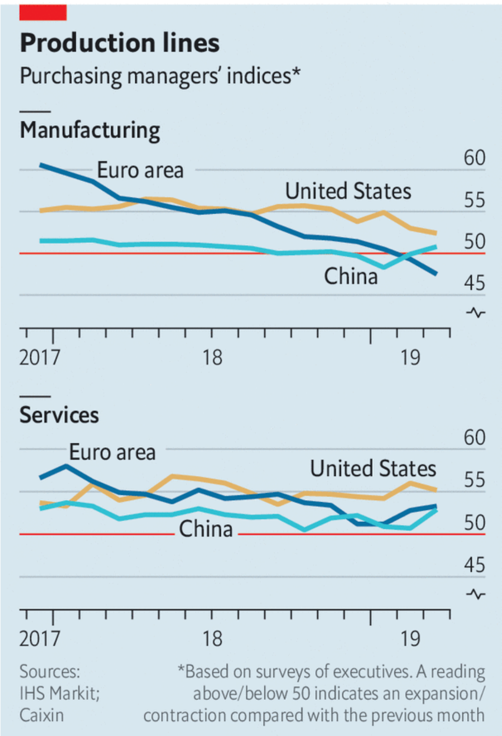
The gloom hanging over the world economy is confined to manufacturing

Service industries have defied the sinking mood



The Economist

Pessimism about the world economy has grown throughout 2019. Disappointing data, tumbling bond yields, the trade war between China and America and political crisis in Britain have all played a part. The only bright spot has been mostly buoyant stockmarkets.

On April 9th the IMF will probably report a downgrade to its forecast for global growth this year, which in January stood at 3.5%. But there has so far been only a deceleration, not a downturn, because economic weakness has been contained mostly to manufacturing, rather than afflicting the service sector (see chart). And a manufacturing rebound might soon lift the global mood.

Manufacturing's woes can be blamed primarily on falling global trade growth. That is down partly to the trade war, and partly to Chinese policymakers' attempts to reduce leverage, which slowed domestic growth late last year, curtailing demand for imports. The pain has been felt most in Europe, which is more exposed than America to emerging markets. It has been particularly acute in Germany.

On April 1st a survey of German manufacturers, a preview of which buffeted bond markets in March, turned out even worse than expected. Industrial production has slowed even more sharply in Germany than in Italy, which is in recession, note economists at Goldman Sachs, a bank. Yet Germany's service sector appears to be growing strongly, as does that of the euro zone as a whole.

Service industries are less volatile than manufacturing, make up a bigger slice of rich-world GDP and, by their nature, trade less. That they remain strong largely reflects relatively buoyant labour markets and consumers (German unemployment is only 3.1%).

One exception has been Britain, where survey data released on April 1st and 3rd appear to show growth in manufacturing at its strongest in over a year and services shrinking.

Both findings are Brexit-related. The British economy is suffering from falling confidence, while manufacturing appears so strong only because firms are stockpiling in case Britain soon crashes out of the EU without a deal.

In the 2000s some economists speculated that the growing weight of services in output might help explain the "great moderation"—the fall in economic volatility after the mid-1980s.

Although the global financial crisis sent volatility soaring, this summer America's economic expansion, if it continues, will become the longest ever.

It will have survived peaks and troughs in manufacturing that in another era might have been more visible in aggregate data.

China has turned to stimulus lately; some economists expect its economy to rebound in the second half of this year. In March its manufacturers reported their strongest month since last summer.

That, and some strong American data, buoyed markets this week. Even if this proves to be a false dawn, for China to cause a global economic downturn would require its slowdown to become infectious not just across borders, but across sectors too.

Source: economist.com- Apr 10, 2019

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Denim Experts Discuss the State of Cotton at Kingpins Amsterdam

Denim trends come and go, but cotton is the constant common denominator for most jeans.

During a panel discussion at Kingpins Amsterdam Wednesday, experts from cotton-growing regions discussed the current state of affairs in the global cotton business.

From the debate on what's sustainable, to cotton-growing initiatives that are finally taking shape, denim experts shared their perspectives on the current cotton market.

Scaling sustainability

If there's hope for scaling sustainability, pressure to advance in the are will have to come from outside and inside sources.

"When you buy something from a company, you expect a certain behavior," Kingpins founder Andrew Olah said, and companies will have to show they stand for something.

Offering Ikea as an example, Olah said the Swedish furniture company showed that it stood for something when it decided to switch to 100 percent sustainable cotton in 2015. Now Ikea only uses cotton that's either recycled or grown with less water, chemical fertilizer and pesticides.

“They didn’t care what anyone else said or did,” Olah said. “They just did it.”

More than that, brands need to hit suppliers where it hurts the most. “The most important thing is that we need the brands to ask for sustainable cotton,” Besim Ozek, strategy and business development director for Turkish textile company Bossa, added. “You should push us.”

It pays, it seems, to give suppliers ultimatums.

“You should tell us, ‘Hey guys, if you’re not going to do this in a 100 percent sustainable way, then I’m not going to buy anything from you,’” Ozek urged.
Organic cotton in Pakistan

The WWF and C&A Foundation recently celebrated the first bale of organic cotton to be produced at scale in Pakistan. The project includes 4,000 farmers growing organic cotton.

“The results have been extremely positive,” Artistic Milliners executive director of Omer Ahmed said. “And the government is really behind this project.”

Pakistan denim manufacturer Artistic Milliners, is depending on this initiative, and according to Ahmed, the mill has secured half of the production.

“Our goal is to make organic cotton more affordable,” he said. “For us, being in Pakistan, price is an extremely important factor for our customers.”

The whole picture

Brands and retailers are reacting to sustainability, but in different ways.

“Some companies are in it to do the actual right thing, whereas others are doing the minimum required to give consumers a feel-good feeling,” Olah Inc. managing director Robert Antoshak, said.

Artistic Milliners, for one, takes a 360-degree approach to sustainability. From cotton, water recycling, energy conservation and the company’s CSR activities, Ahmed said the goal is to always take the sustainable path.

"As a producer, it's our responsibility to be taking care of these things," he said. "The good news is the whole ecosystem is more conscious about [sustainability]. More than it's ever been."

Organic or not

An organic cotton farm, Antoshak said, works 10-times harder than a conventional cotton farm using the latest technology for growing cotton.

"Organic is not sustainable, period," he said, adding that it requires more inputs and is harder on the environment.

However, even if denim wants more organic cotton, there are larger players in the field. The cotton market, Antoshak said, is moved by the home textile industry.

"They can be great marketers all they want, but the reality is that the market will dictate what the results will be," he said.

Source: sourcingjournal.com- Apr 11, 2019

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Rising cotton production in Mexico impacts US exports

Recent higher cotton production in Mexico has lowered import demand and affected US exports, according to the US department of agriculture (USDA).

In 2017-18 and 2018-19, Mexico's cotton output jumped to levels not seen since the late 1970s. Cotton production is likely to remain high in 2019-20 too, forecasts the recent GAIN (FAS attaché) report from Mexico.

Due to the benefits of the NAFTA agreement, US cotton accounted for nearly all of Mexico's imports. However, Mexico's imports have not fallen as much as production has risen.

This is in part due to downstream contractual agreements requiring the use of US cotton. As a result, larger production and exportable supplies have driven exports to the highest level in over 30 years, buoyed in part by a sharp increase in exports to China in 2018.

"If Mexico's production were to remain high for an extended period, it could make further inroads into domestic mill use as the downstream demand becomes more accustomed to the greater supply of local cotton.

A successful outcome resolving US-China trade tensions could also reduce Mexico's export opportunities, increasing pressure to use cotton domestically.

Neither of these outcomes bode well for US cotton exports to Mexico," the Foreign Agricultural Service (FAS) of the USDA said in its 'Cotton: World Markets and Trade' April 2019 report.

Source: fibre2fashion.com- Apr 11, 2019

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EU extends Brexit deadline till October 31

The European Council has agreed to a further extension till October 31, 2019, to allow for the ratification of the Withdrawal Agreement by the UK and the European Union.

The Withdrawal Agreement, however, may enter into force on an earlier date, should both parties complete their respective ratification procedures before October 31 this year.

"Consequently, the withdrawal should take place on the first day of the month following the completion of the ratification procedures or on November 1, 2019, whichever is the earliest," the European Council said, and added that the decision has been taken in agreement with the UK extending the period under Article 50(3)TEU.

"I continue to believe we need to leave the EU, with a deal, as soon as possible," UK Prime Minister Theresa May said after a meeting with Donald Tusk, the President of the European Council, where she agreed for an extension to the Brexit process to the end of October at the latest.

"And vitally, the EU has agreed that the extension can be terminated when the Withdrawal Agreement has been ratified," she added.

This means, if the UK is able to pass a deal in the first three weeks of May, it will not have to take part in European Elections and it will officially leave the EU on Saturday, June 1, 2019.

During the course of the extension, however, the UK will continue to hold full membership rights, as well as its obligations.

Source: fibre2fashion.com- Apr 11, 2019

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US retail imports rising again as summer approaches: NRF

With tariff increases delayed for the foreseeable future and the busy summer season approaching, imports at US's major retail container ports are beginning to climb again, according to the monthly Global Port Tracker report released by National Retail Federation (NRF) and Hackett Associates. NRF is the world's largest retail trade association.

Imports during 2018 set a new record of 21.8 million TEU, an increase of 6.2 per cent over 2017's previous record of 20.5 million TEU. The first half of 2019 is expected to total 10.7 million TEU, up 3.7 per cent over the first half of 2018. A TEU is one 20-foot-long cargo container or its equivalent.

"Retailers are starting to stock up in anticipation of a strong summer," NRF vice president for supply chain and customs policy Jonathan Gold said. "Tariff increases are on hold and progress is being reported in talks between the US and China, so the imports we're seeing now are driven primarily by expectations for consumer demand."

US ports covered by Global Port Tracker handled 1.62 million twenty-foot equivalent units in February, the latest month for which after-the-fact numbers are available. That was down 14.3 per cent from January and down 4 per cent year-over-year. February is traditionally the slowest month of the year because of Lunar New Year factory shutdowns in Asia and the lull between retailers' holiday and summer seasons.

March was estimated at 1.63 million TEU, up 5.9 per cent year-over-year. April is forecast at 1.75 million TEU, up 6.9 per cent; May at 1.9 million TEU, up 4 per cent; June at 1.89 million TEU, up 2 per cent; July at 1.96 million

TEU, up 2.9 per cent, and August at 1.97 million TEU, up 4.3 per cent. The August number would be the highest since the record 2 million TEU set last October as retailers brought holiday merchandise into the country ahead of expected tariff increases.

"The US consumer, while more cautious, has not stopped spending," Hackett Associates founder Ben Hackett said. "The inventory-to-sales ratio, however, is on the rise. Part of this can be attributed to the heavy front-loading of imports ahead of expected tariff increases that took place in 2018."

US tariffs of 10 per cent on $200 billion worth of Chinese goods that took effect last September were scheduled to rise to 25 per cent in March, but the increase was postponed by President Trump, citing progress in talks between Washington and Beijing. The tariff increase has been put on hold indefinitely while the negotiations continue.

Global Port Tracker, which is produced for NRF by the consulting firm Hackett Associates, covers the US ports of Los Angeles/Long Beach, Oakland, Seattle and Tacoma on the West Coast; New York/New Jersey, Port of Virginia, Charleston, Savannah, Port Everglades, Miami and Jacksonville on the East Coast, and Houston on the Gulf Coast.

Source: fibre2fashion.com- Apr 11, 2019

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Sri Lanka's apparel sector targets emerging markets to boost growth

Sri Lanka's apparel sector targets emerging marketsIn order to achieve its ambitious target of $8 billion worth of exports by 2025, Sri Lankan apparel sector is looking to first upscale access in emerging markets such as India, China and Brazil. The country will differentiate its products with quality standards and excellent product delivery to capture global demand.

The apparel industry, which contributes 7 per cent of GDP (Gross Domestic Product) and 53 per cent of export earnings, plans to expand its operations to South Asian countries such as India and China and to South America. Apparel exports, last year, grew by 5 per cent; while this year it is expected to grow at an annual compound growth rate of over 6 per cent.

Exports subject to tariff rules

Around 12 per cent of Indian apparel exports are shipped to other continents. The countries for exports areSri Lankas apparel sector targets emerging markets to boost growth determined on the basis of the tariff and country of origin rules. Earlier bilateral agreements were the exception to the rule but now World Trade Organisation (WTO) regulations has become the exception while bilateral agreements are the rule.

A standard rule that the apparel industry follows is the double transformation principle which involves converting fiber into yarn, yarn into fabric and fabric into garments. This theory helps countries such as India, Indonesia and Thailand, where vertical integration is very high.

Issues faced by the Sri Lankan apparel sector

Sri Lanka, as a nation does not recognise the value of apparel exports as much. The sector contributes to the economy on its own efforts. Government support in terms of facilities and recognition will attract more industrialists to the nation besides ensuring skilled labour in the workforce.

The SME sector within the apparel sector faces labor issues. As this sector fails to attract youth, it faces acute scarcity of labor. Besides, the present level of the trade reforms agenda lacks forward looking policies which makes it extremely difficult for the industry to maintain its growth momentum.

Government initiatives to boost growth

Though the industry has still not stabilised, this year’s budget provides enhanced capital for expanding a company. The government is also trying to improve the availability of credit, skills and finances.

However, these efforts will prove beneficial only in the longer run. The industry needs to be controlled and maintained on a systematic basis. It should be organised so as to enable buying continuously or promote concepts such as rentals.

Before 2005, there was no competition among countries for apparel as the industry did not offer its buyers the freedom to plan their purchases. However, this system liberalised post 2005 enabling all countries to enter into the business.

Sri Lanka, which already faces difficulties such as unavailability of fabric and scarcity of labour, needs to differentiate itself through quality and value added services. The sector has already negotiated with the government for minimising transactions with state agencies mainly with regard to apparel exports. It has also requested the government to make all documentation processes available online, thus reducing human intervention.

The sector has also requested the government to recognise digital signatures and online transactions. It is also negotiating with the Sri Lanka Customs to automate the verification processes to clear the goods quickly. These methods will quicken the will not only quicken the delivery process but also improve its efficiency.

Source: fashionatingworld.com- Apr 11, 2019

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75,000 more stores may close across the US: UBS

Clothing retailers, consumer electronics companies and home furnishing businesses may need to close around 75,000 more stores across the United States as e-commerce sales proliferate, according to investment firm UBS. Store rationalisation needs to accelerate meaningfully as online penetration continues to rise, UBS said in a recent note to clients.

Assuming the share of online sales in the total US retail sales grows from 16 per cent now to 25 per cent by 2026, roughly 75,000 more retail doors, excluding restaurants, need to close, UBS analysts Jay Sole and Michael Lasser said.

That means for every 1 per cent rise in online penetration, 8,000-8,500 stores need to close. A lot of that growth is being fueled by Amazon, which is expected to account for about half of the US e-commerce market, according to US media reports.

UBS estimates about 21,000 clothing stores, 10,000 consumer electronics stores, 8,000 home furnishing stores and 1,000 home improvement stores should close. About 7,000 grocery stores could close if online grocery penetration rises to 10 per cent by 2026 from 2 per cent now, it added.

More than 5,000 store closures have been announced by retailers this year, according to a tracker by Coresight Research. The companies include Gap, Victoria's Secret, Charlotte Russe and Gymboree.

Source: fibre2fashion.com- Apr 12, 2019

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UK companies rethink Turkish sourcing

If a no-deal Brexit deal goes ahead, UK companies will have to decide if the advantages of sourcing in Turkey – speed and flexibility – outweigh the additional costs 12 per cent tariffs would entail.

New tariffs be temporary – they would apply for up to 12 months -- while a full consultation and review on a permanent approach to tariffs is undertaken.

However, they would come at a difficult time for UK retailers, who are facing tough trading conditions and a weak sterling-to-euro and US dollar exchange rate.

As a result, the threat of even temporary tariffs has caused concern among UK retailers and brands already cautious about sourcing from Turkey because of high costs, political unrest and ethical concerns. Hence, they may look at alternative sourcing destinations.

To go from no tariffs to tariffs on certain products would increase the cost of importing clothing from Turkey. That is a big enough number to make retailers think about changing their sourcing strategies.

So far there were clear advantages of sourcing from Turkey. Turkish factories offer fast repeats of popular styles. So, brands can buy smaller initial volumes of stock and see what happens, and so the warehouse isn't full of poor-selling lines.

Source: fashionatingworld.com- Apr 11, 2019

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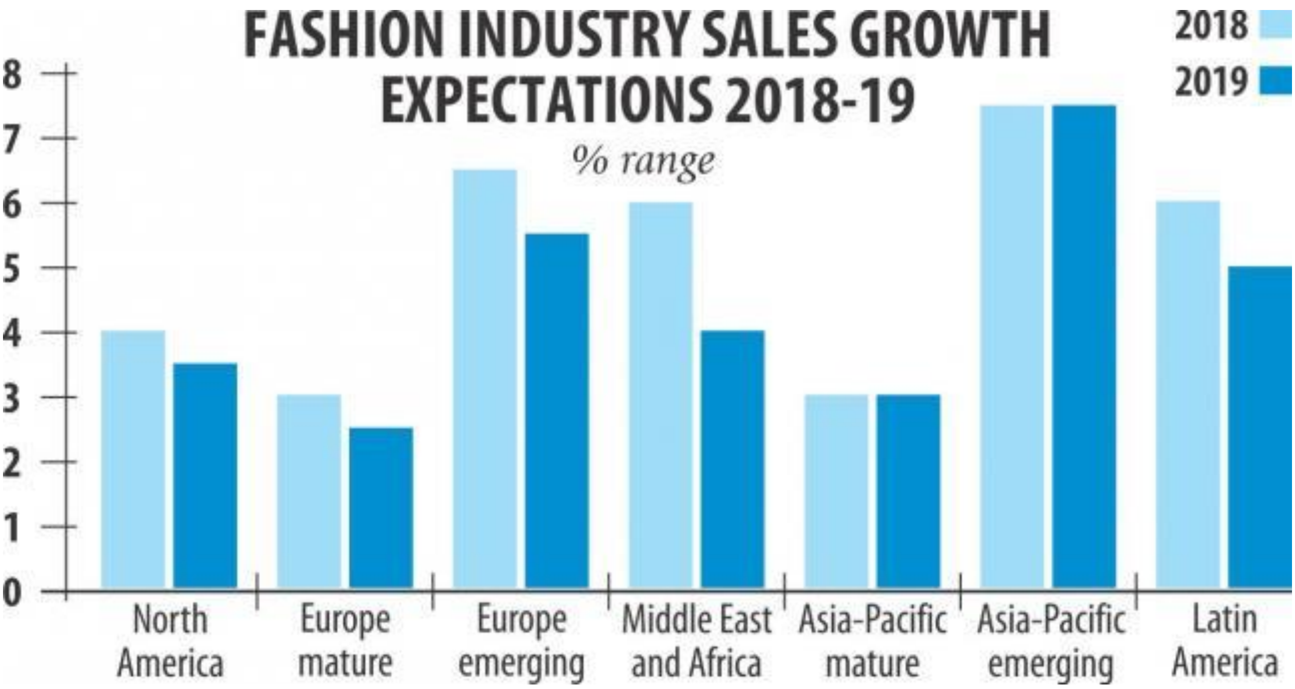
Bangladesh: Asia-Pacific apparel sales to grow slightly in 2019

Sales of apparel items in emerging Asia-Pacific countries will continue to grow slightly in 2019 while it will decline in other major regions, including Europe, Middle East and Africa and Latin America.



Globally trusted research firm McKinsey & Company disclosed the information in a report—The State of Fashion 2019: A year of awakening—after surveying over 275 global fashion executives, alongside interviewing thought leaders and pioneers.

McKinsey and Company published the report in November last year in partnership with the Business of Fashion (BoF), which explores the industry's fragmented, complex ecosystem.

The number of global fashion executives surveyed for the latest report was nearly 30 percent more than that of the previous year.

"It is true that Asian markets like India, China and Japan are big for Bangladesh as our shipment to those has been growing every year," said Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Garment shipments from Bangladesh—the second largest exporter worldwide after China—to those three are rising by the day thanks to competitive prices offered by the country and spiralling production cost in China.

Bangladesh's strength in formal garment production and higher economic growth in populous Asian countries have also helped such shipments to increase, which could hardly reach a few million dollars only five years ago, experts said.

Garment export to the three markets grew by nearly $1.5 billion which was only a few hundred million even five years ago. Japan is the only nation where Bangladesh exported goods worth more than $1 billion apart from its traditional markets -- the European Union, the US and Canada.

Among the major fashion items, sportswear would continue to be the major items in 2019 while sales of other items like apparel and handbags will continue at the same level as of last year.

Sales of other fashion items like footwear, jewellery, watches and other accessories will decline in 2019. "All this comes against a backdrop of the fashion industry having turned a corner in 2018, with increased growth justifying the optimism expressed in last year's global fashion survey," said the report.

"The caution in the economic outlook is also reflected in the BoF–McKinsey State of Fashion Survey, with 42 percent of respondents expecting conditions to become worse in 2019," it said.

"Polarisation continues to be a stark reality in fashion: fully 97 percent of economic profits for the whole industry are earned by just 20 companies, most of them in the luxury segment," the survey said.

Notably, the top 20 group of companies have remained stable over time, the report said, adding that 12 of the top 20 have been a member of the group for the last decade. "Long-term leaders include, among others, Inditex, LVMH, and Nike, which have more than doubled their economic profit over the past 10 years," according to the survey. "According to our estimates, each racked up more than $2 billion in economic profit in 2017," it said.

New markets, new technologies and shifting consumer needs present opportunities but also risks, the report added. "We predict that 2019 will be a year shaped by consumer shifts linked to technology, social causes, and trust issues, alongside the potential disruption from geopolitical and macroeconomic events," it said. "Only those brands that accurately reflect the Zeitgeist or have the courage to 'self-disrupt' will emerge as winners," the survey also found.

Source: thedailystar.net- Apr 12, 2019

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Bangladesh: Sales of duty-free imported yarn knock out local manufacturers

Government urged not to impose VAT on local yarn

Primary textile sector people have urged the government to take measures to stop misuse of duty-free imported fabrics and yarn and not to impose value added tax (VAT) on locally produced yarn and fabrics.

Bangladesh Textile Mills Association (BTMA) president Mohammad Ali Khokon made the call at a press conference at a Dhaka city hotel yesterday.

"Foreign yarn, fabrics and several dress materials, imported through mis-declaration or illegally, are being largely sold in the local markets.

As a result, local manufacturers of fabrics and yarn are facing serious trouble and struggling to survive due to lower prices of imported fabrics and yarn," said Mohammad Ali.

The platform of the primary textile also claimed that about 50% looms located in Narsingdi, Baburhat, Rupganj, Pabna, Sirajganj and Madhabdi were on the verge of closure due to sales of smuggled and duty-free imported fabrics and yarn.

Amid this situation, the government was going to implement VAT from the next budget, which would deal a death blow to the manufacturers of yarn and fabrics, said Ali.

“Moreover, the gas distribution companies have proposed to increase the prices of gas, an important element for the textile sector, by 96% and 208%,” he mentioned.

So, considering the present status of the primary textile sector, the government should include fabrics and yarns on the list of products exempted from VAT, the BTMA president demanded.

On the other hand, the sector people also urged the government to increase cash incentives from existing 4% to 15% on freight on board (FoB) prices of fabrics prices. In addition, they also urged the government to stop the misuse of fabrics and yarn imported under duty-free facilities.

There were some people, whose business was to sell the product imported under bonded warehouse facilities and they lived on this, said Ali. In stopping the sale of duty-free imported fabrics, the business leader suggested that the government write “not for sale” on the fabrics so that one could identify it easily.

Call to reduce corporate taxes and interest rate

Since the production cost of the primary textile sector has gone up due to rise in wage and raw materials, local manufacturers have urged the government to cut corporate tax from the existing rate and keep it effective for a long time.

Production cost of yarn and fabrics went up by 12% to 13% due to high bank interest rate while the local manufactures of fabrics and yarn were struggling to survive as importers were importing the goods through mis-declaration, said Ali.

As a result, the manufacturers were facing trouble in paying the installment of loans and becoming defaulters. So for help the business survive, the government should bring down the interest rate to 7% and extend the repayment tenure to 12 years, he added. He also urged the government to give opportunity to the business people, who were paying installment of loans regularly as a reward.

Meanwhile, the sector people called a level playing field in the case of corporate tax as the apparel sector was paying 12% corporate tax.

As per the current budget, the sector is paying 15% corporate tax, which will expire on June 30, 2019. “So, to ensure a level playing field, we are urging the government to set cooperate tax at 12.5% and to continue it till 2028,” said Ali. On top of that, the sector people also expressed concern over the illegal import of sari, three-piece, and other clothing products ahead of Eid-ul-Fitr.

In Eid-ul-Fitr and Eid-ul-Azha, the two largest festivals of the Muslims, about 60% sales of the year take place. “But there is no enthusiasm among the local manufactures due to dominance of smuggled goods ahead of Eid,” mentioned Ali.

He urged the government to strengthen monitoring of the board so that no one could import clothing products evading taxes.

Source: dhakatribune.com- Apr 11, 2019

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Bangladesh keen to sign FTA with South American trade bloc to promote export

Bangladesh has already submitted "Letter of Intent" to that effect to secure greater access for Bangladeshi products to a huge market of 300 million consumers across Argentina, Brazil, Paraguay and Uruguay

Bangladesh has expressed it interest to sign Free Trade Agreement (FTA) with South American trade bloc MERCOSUR at an early date to tap the under-exploited South American market.

Bangladesh has already submitted "Letter of Intent" to that effect to secure greater access for Bangladeshi products to a huge market of 300 million consumers across Argentina, Brazil, Paraguay and Uruguay.

State Minister for Foreign Affairs M Shahriar Alam conveyed this interest when new non-resident Argentine Ambassador Daniel Chuburu (based in New Delhi) called on him on Thursday, reports UNB.

Argentine Ambassador, whose country is the current President of this trade bloc, promised full cooperation in this regard, according to the Ministry of Foreign Affairs.

The Argentine Ambassador emphasized the need to promote the overall bilateral trade between the two countries.

In this context, he proposed to hold a regional workshop/seminar on agriculture and agro-business in Dhaka sometime soon to promote better cooperation and share Argentine skills and expertise in agricultural sector.

Ambassador opined that such cooperation could go a long way in terms of ensuring food security.

State Minister Alam gratefully recalled Argentine Writer and Critic Victoria Ocampo's commendable role in support of Bangladesh's Historic War of Liberation that led and inspired the intelligentsia in Argentina and beyond to protest against the atrocities inflicted on Bangalees by Pakistan military and their local collaborators.

The Bangladesh State Minister also sought Argentina's support for Bangladesh's candidature for the post of Deputy Director General of IOM.

Argentine Ambassador promised to give its due consideration. Among others, cooperation in culture and sports also figured in the discussion.

Bangladesh State Minister looked forward to receiving Argentine football team in Dhaka in 2021 to play a match marking the birth centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman. The Argentine Ambassador presented his credentials to the President at Bangabhaban on April 10.

Source: dhakatribune.com- Apr 11, 2019

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Vietnam: Trade agreements, import-export mix to ease effect of Chinese slowdown

"Vietnam has been exporting unprocessed agriculture and other primary products to China for decades. Of late, there has been strong growth in its export of higher value agriculture products, including fruits, vegetables and other horticulture products and seafood.

Vietnam also exports electronic and other manufactured products to China. However, its integration in regional production chains has reversed the situation leading to an increase in Vietnam's imports and investment from China."

Vietnam Trade agreements import export mix to ease effect of ChineseVietnam has been exporting unprocessed agriculture and other primary products to China for decades. Of late, there has been strong growth in its export of higher value agriculture products, including fruits, vegetables and other horticulture products and seafood.

Vietnam also exports electronic and other manufactured products to China. However, its integration in regional production chains has reversed the situation leading to an increase in Vietnam's imports and investment from China. Now, besides consumer products, the country also imports large volumes of components and parts for its manufacturing sector from China.

Impact of Chinese slowdown on Vietnam's markets

China's slowing economic growth is affecting growth of Vietnam's key markets like the US, EU and Asean. This is likely to impact global demand for Vietnamese exports. Although the net impact of this slowdown on FDI from China is not clear, it will emerge as an increasingly attractive option to diversify investment risks. Though it is unlikely for China to return to previous high levels of growth, it is important to ensure that the growth rate remains high. The country accounts for nearly 20 per cent of global trade with its potential as economic partner continuing to grow.

Trade agreements to provide new opportunities

The implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP),Vietnam Trade agreements import export mix to ease effect and the long-anticipated EU-Vietnam trade and investment agreements (EVFTA), will provide new opportunities for Vietnam to expand and diversify its economic relations.

The country will also benefit from the expected agreement on the Regional Comprehensive Economic Partnership (RCEP) in 2019. Its other bilateral initiatives, including streamlining of cross-border inspections and payments services will stimulate its economic cooperation with China.

Import-export mix to reduce global economic shocks

The negative impacts of Chinese slowdown on Vietnam's economy will be relatively limited. Increase in exports of higher value-added agriculture, manufactured goods and services to China will remain strong. The country would face serious concerns if its growth falls to OECD country growth rates.

Its exposure to global economic shocks can be reduced by providing a more diversified mix of import and export markets. The country can diversify its trade and investments through reforms under regional and economic cooperation agreements.

Source: fashionatingworld.com- Apr 11, 2019

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Vietnam: Global textile supply chain conference talks green trend

The Global Textile and Apparel Supply Chain Conference (TASCC), the first of its kind in Vietnam after 11 previous editions in China, took place in Ho Chi Minh City on April 11.

Co-hosted by the Vietnam Textile & Apparel Association (VITAS) and the China National Textile and Apparel Council (CNATC), the event focused on sustainable development trend towards a green garment industry and regional solutions to global challenges.

Speaking at the event, VITAS Chairman Vu Duc Giang said the association has established an environment committee and joined an action plan to achieve a green garment sector over the past three years with the support of the Sustainable Apparel Coalition and other organisations.

Bui Hoang Yen from the municipal Investment and Trade Promotion Centre suggested improving dyeing process and linking stages together from design to product development, materials and logistics, thus upgrading supply chain and creating a common power for the sector.

The MoIT worked closely with agencies concerned to devise a development strategy for apparel, leather and footwear till 2030 amid the fourth Industrial Revolution, including zoning off several concentrated industrial parks for fiber, thread, leather and new materials.

CNATC President Sun Ruizhe said the Vietnamese and Chinese garment sectors play an important role in the global supply chain.

In recent years, major Chinese apparel makers such as Shenzhou, Youngor, Huafu, Lutai, Xurong and Jifa have invested in building plants in Vietnam, he said.

However, challenges remain ahead as polluting firms are at risk of having orders cancelled by branded names in the world. They tend to place orders from green companies while consumers also consider manufacturers' social responsibility for the environment.

A representative from the World Wildlife Fund said there are a number of projects providing financial support for garment firms to renew technology and mitigate environment pollution.

Source: en.vietnamplus.vn - April 11, 2019

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Pakistan: FTA negotiations with Turkey to conclude in June

Negotiations on free trade agreement (FTA) between Pakistan and Turkey would conclude in June; followed by formal agreement to boost bilateral trade cooperation in different potential areas between the two brotherly countries.

Pakistan would finalise FTA with Turkey, under the Pakistan-Turkey Strategic Economic Framework (SEF) plan of action, a senior official of the Ministry of Commerce and Textile said on Thursday.

Pakistan and Turkey had agreed to formalise a Pakistan-Turkey Strategic Economic Framework (SEF) during the Prime Minister Imran Khan's visit to Turkey in January this year and the committee was also formed to finalise the SEF draft.

After the approval by the prime minister, the SEF draft was sent to Turkey on February 20. Through the SEF, Pakistan would get tariff free access in potential Turkish markets to increase the bilateral trade between the two countries.

The senior official said the two countries can increase bilateral trade to $6,000 million in the near-term from the existing level of $598 million. Pakistan's top 20 high-potential exports can go up from $400 million to $2,600 million, while Turkey's top 20 high potential exports to Pakistan can be enhanced to $2,600 million from $200 million.

The country's major exports to Turkey included denim PET, ethanol, cotton yarn, fabric and rice, garments, leather, carpets, surgical instruments, sports goods, and chemicals. The official said the two sides held discussions on goods, services and investment. After signing a new FTA, the two countries would be able to improve their trade balance, he added.

He said after the finalisation of FTA, Pakistan would get market space in agriculture and pharmaceutical sectors in Turkey. Pakistan's major imports from Turkey included manmade textiles, towels, steel structure, tanning and plastic chemicals, processed milk and whey. The official also said priority of the government was to promote trade liberalisation for searching new potential markets in different parts of the world to increase trade.

Source: thenews.com.pk- April 12, 2019

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Pakistan: Buying continues on cotton market

Trading resumed on overnight firm note on Thursday as buyers continued to cover up their positions with quality cotton. However, ginners have adopted a cautious approach in front of sustained demand coming from leading textile spinners.

Market reports suggest there is higher cotton yarn off-take in domestic market as the value-added textile sector has stepped up its buying anticipating higher exports.

Meanwhile, at the Agriculture Research Committee meeting in Multan, Pakistan Central Cotton Committee (PCCC) Director Research Dr Tasawur Hussain Malik said that 93 new cotton varieties, including 85 Bt and eight non-Bt varieties, would undergo national coordinated varietal trials all over the country to assess their production capability and fibre qualities.

According to reports coming from cotton fields, sowing for new crop is going on smoothly. However, lower Sindh area — where sowing began earlier — is facing shortage of irrigation water. The world leading cotton market gave mixed trend with New York cotton closing lower and Chinese market was firm.

The Karachi Cotton Association (KCA) spot rates were unchanged at overnight level at Rs8,800 per maund.

The following deals were reported to have transpired on ready counter: 1,400 bales, station Mirpur Mathelo, at Rs8,950; 600 bales, Rahim Yar Khan, at Rs8,950-9,100; 600 bales, Sadiqabad, at Rs9,000; 600 bales, Dera Ghazi Khan, at Rs8,700; 2,000 bales, Bahawalpur, at Rs8,175-8,275; and 1,400 bales, Fort Abbas, at Rs8,175.

Source: dawn.com- April 12, 2019

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Sweden stresses on need for EU-India free-trade agreement

Ease of doing business in India has improved: Swedish envoy

Sweden has stressed on the need for a free trade agreement (FTA) between India and the European Union for ease of doing business for companies that want “predictability”.

“Part of that (FTA) would also hopefully flow an investment protection agreement. They can be negotiated together. Since the bilateral investment protection agreements have been ended by India over the last few years, this would be, I think, to many companies, a very important ingredient that would facilitate and increase trade,” said Klas Molin, Swedish Ambassador to India.

“The day we sit down to negotiate, perhaps you will see a less traditional type of agreement come out of it, because there are a number of new factors,” Molin added.

He also stressed on how Sweden is heavily dependent on trade, and that it shares a “sound” relationship with India. He underlined the need for more partnerships between companies from both countries.

“If a Swedish company teams up with an Indian company or develops products that are interesting to consumers in our respective countries, I don’t see how it could not lead to more trade,” Molin said.

Betting big

Swedish firms like home-furnishing company IKEA and telecom player Ericsson are betting big on India. “Ericsson is bigger in India than anywhere else in the world.

They have more people employed in India than any other country, Sweden included. IKEA has been sourcing in India for decades,” Molin said.

India’s talent and digital focus are aspects that present a huge advantage.

"The possibility of having this kind of talent and brilliance with scale is fascinating," he said. Molin also said that issues like healthcare, sustainable transportation and public safety are important issues in India and that both the countries' governments intend to work together to address them.

"Quoting NITI Aayog CEO Amitabh Kant liberally, I understood him to say that whatever solutions we can find for India, many of these will be applicable on a global scale," Molin elaborated, referencing Kant's address earlier on Thursday at the AI for All summit, an India-Sweden partnership event. Both the countries launched a joint Industrial R&D programme on the occasion.

Molin also said that it has become easier to do business in India. "Every year, the Swedish Chamber of Commerce puts out a survey to all its member companies.

The survey indicates that the satisfaction rate (of doing business in India) is good. Major reforms like GST and Customs practises are making a difference," said Molin. He also referenced IKEA's retail entry and called it a "bi-partisan achievement".

"It was actually under Manmohan Singh that rules on single-brand retail started changing," he added.

Involving stakeholders

Engaging all stakeholders — government, academia, and industry or the 'triple helix' — is key to the Sweden-India partnership, Molin said. "We are talking more and more about a quadruple helix — also involving civil society and people," he added.

Source: thehindubusinessline.com- Apr 11, 2019

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Cotton price to go up on lower output forecast

The cotton price will increase further in the current season on the back of recent revised production estimates. The price is expected to be in the range of Rs 127-130 per kg in the CS (cotton season) of 2018-2019. Earlier, it was projected to be in the Rs 125-127 per kg range.

According to the recent revision, the cotton production is estimated to be around 321 lakh bales (1 bale equals 170 kg) as against 328 lakh bales projected a few months ago, a drop of 7 lakh bales in the current season. Hence, the commodity price is expected to shoot up. The current season's output estimate is lower by about 12% year-on-year compared with the output in CS 2018 which stood at 365 lakh bales.

Further, the price is expected to be supported by weakened rupee and rising consumption in both the domestic and overseas markets. Price is also expected to be affected by the ongoing trade talks between the US and China.

Also, with high cotton prices and sluggish domestic and export demand for cotton yarn, the yarn demand is expected to stagnate at the current levels majorly on account of weak demand from China, which is the world's largest consumer. However, in medium to long term, decrease in demand from China will be offset by improvement in demand from Bangladesh, Pakistan and Vietnam, said a Care Ratings analysis.

This downward revision in cotton production is largely attributed to the water shortage faced by cotton crop in southern states, including Telangana, Andhra Pradesh and Karnataka and due to reports that farmers have uprooted their crop forgoing a chance for additional pickings.

As per the Cotton Association of India (CAI), crop estimate for Gujarat has been reduced by 1 lakh bales, Maharashtra by 80,000 bales, Telangana by 4 lakh bales, Andhra Pradesh by 1 lakh bale and Karnataka by 75,000 bales, while there has been a marginal uptick of 50,000 bales in Tamil Nadu and 5,000 bales in Odisha, the rating agency analysis said.

The CAI has also maintained the estimated domestic consumption of 316 lakh bales. Consequently, China is expected to regain its tag of the world's largest producer of cotton which it had lost to India a couple of years ago.

Based on the latest estimates, imports for the year would be 27 lakh bales, higher by 12 lakh bales compared to the previous year's import estimated at 15 lakh bales. The exports have also been estimated at 47 lakh bales, lower by 22 lakh bales compared to the export of 69 lakh bales estimated during the last year.

According to the analysis, cotton prices have come off last season's high and are trending lower at around Rs 125 per kg for Shankar-6/Shankar-4 and around Rs 118 for J-34(Sg) but are still higher year-on-year.

The cotton yarn prices have also moved in line with the cotton prices, during the period. Further, China is importing more cotton and less yarn from India given the duty differential between the two.

Going forward, cotton price is expected to increase with this further cut in the production estimate. With limited supply in the market, prices are expected to average at about Rs 127-130 per kg for CS 2018-19.

Source: financialexpress.com- Apr 12, 2019

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Not Amazon, Flipkart: 4000 new retail stores needed to meet growing food, grocery, apparel demand

While retail stores may have suffered at the hands of e-commerce, they are likely to stay as a formidable force. Strong demand in food & grocery and apparel categories may require 4,000 new retail stores, research and brokerage firm Motilal Oswal said in a report this week.

Retailers have witnessed an expansion in their footprint, revenue and overall growth, the report added, affirming that the future is not so bleak for retail stores as it seems.

Predicting a remarkable growth of retail market with its size expected to triple by FY25, the report also said that the food & grocery and apparel segments are likely to witness CAGR of 27% and 22%. It is to this growth that the report attributes the need for retail stores.

“To cater to robust demand, about 4,000 new store additions will likely be required over the next eight years (2017-25), offering a huge runway of 15% CAGR in retail footprint over the next eight years,” Motilal Oswal said.

Big startups such as Paytm as well have recognised the charm that offline stores hold over consumers as they partnered with retail chains such as Croma, Reliance Digital etc to provide customers with a tactile experience.

“The company has witnessed customers in India prefer to touch and feel the product before making a purchase. To ensure this, it has partnered with large format retail stores,” Paytm had earlier said.

With consumers becoming more modern, there is a need for Kirana stores to up their game as well. With the changing trends in household retail spends, traditional Kirana stores will find it difficult to thrive as consumers are moving to modern retail formats. Better prices and convenience of shopping is the main driving force behind that, Motilal Oswal report said.

However, retailers are likely to employ a few measures as well in a bid to cut operational costs. Expect leaner store layouts, cluster-based growth, focus on private labels and membership-based models in the future, the report added, as stores look to make their businesses more profitable.

Previously, another report had revealed that retail stores could be the future of tomorrow as e-commerce cannot fight with in-store shopper experiences.

“The revolution in stores of tomorrow is to be brought by POP advertising, Store Fixtures, Signage, Props, Lighting etc,” In-Store Asia 2019 had projected.

Source: financialexpress.com - Apr 11, 2019

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China-India mainline service to provide faster transit, connectivity via Kochi

The DP World Cochin will strengthen the direct connectivity from Kochi to Far East locations like Penang, Port Klang, Hong Kong and Shanghai.

DP World, which operates International Container Transshipment Terminal (ICTT), Vallarpadam, has added a new weekly mainline service, China-India Express 2 (ci2) run by Wan Hai Shipping Line. The maiden vessel called on DP World Cochin on Tuesday. The service will strengthen the direct connectivity from Kochi to Far East locations, officials said here. The direct service is an opportunity to the trade, benefiting customers for faster connections ensuring timely loading and delivery as per schedules.

With this major development, ICTT reinforces its position as South India's transhipment hub. The service will provide direct connectivity to Kochi – Penang - Port Klang - Hong Kong – Qingdao – Shanghai – Ningbo - Shekou.

Praveen Joseph, CEO of DP World Cochin said with this new service, the port operator was pleased to see India gain even greater access to key destinations across the world.

It will provide a direct, reliable and stable service benefitting the trading community of the country. "Wan Hai Shipping Line's decision to join forces with us underlines the confidence they have in our capabilities, adding value to trade across the seas.

With this major development, DP World reinforces ICTT as an international transhipment hub," he said.

Wan Hai has regular mainline services connecting Australia, the Far East, South-East Asia, Middle East, Europe and the Mediterranean. Terminal also expects to further boost its international mainline connectivity in the coming months, which will help its customers reduce delivery times and costs to serve international markets.

M Beena, chairperson of Cochin Port Trust, said the launch of Wan Hai Lines comes in the backdrop of the historical ties between China and Kochi, has reflected in the Chinese fishing nets and the growing trade between China and Far East sector and Cochin Port.

"The new service will link key ports in China and other Far East ports to Kochi, by providing faster transit and better connectivity," she said.

Source: newindianexpress.com - Apr 11, 2019

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India says it's no tariff king, US also charges higher duty on some items

India has countered US President Donald Trump's charges of India being a "tariff king" that imposes huge duties on products like Harley-Davison against zero by Washington on motorcyles.

Sources said tariffs can't be compared on product to product basis, but on overall basis as every country has given its commitment to the World Trade Organisation (WTO) on specific products based on its necessities.

The US charges high tariffs on several items such as tobacco at 350 per cent, peanuts at 163.8 per cent, footwear at 48 per cent, shoes at 32 per cent.

Similarly, India charges high tariffs on some other products such as alcohol and wines at 150 per cent and motor cycles at 100 per cent, they said.

Source: business-standard.com - Apr 11, 2019

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Indian MSMEs can create 1 cr jobs in 5 yrs: NRI Consulting

India is an attractive consumption-oriented market with a growing middle class and rising disposable income despite the recent sluggishness in demand, according to NRI Consulting, a Nomura Holdings affiliate. Micro, small and medium enterprises (MSMEs), if nurtured well, can bridge the employment gap and create a crore jobs in the next four to five years, it said.

Only 15 per cent of what is consumed in India is, however, made by the domestic manufacturing industry, limiting the country's ability to create employment opportunities, the Japan-based firm said in a note on Indian market.

The employment issue can be addressed by following a market-oriented approach for MSMEs, wherein the organised private sector participants invest in capacity building of the MSMEs against a valid for-profit business case with long term benefits, a top Indian business newspaper reported citing the company note.

The MSME sector remained the highest job creator with the sector contributing about 3.6 crore jobs, which is about 70 per cent in the manufacturing sector in 2017-18, according to official data.

To scale up, the MSME sector needs a market-oriented strategy through business development services which is inclusive and builds on a consensus on the challenges, goal and broad policy direction among the key stakeholders, the consulting firm added.

Source: fibre2fashion.com - Apr 11, 2019

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FIEO major partner at Australia’s premier apparel and textile sourcing show

The Federation of Indian Export Organisations (FIEO) has collaborated as a major partner International Sourcing Expo Australia 2019 to showcase the strength of India’s apparel and textile exporters at Australia’s leading apparel and textile sourcing show for the seventh year running.

Speaking on the announcement, Dr. Ajay Sahai, Director General & CEO, FIEO said their continued participation supports the body’s international marketing initiatives including a major focus on Australia.

“FIEO is committed to facilitating exposure for its members across the globe, and International Sourcing Expo Australia provides an unrivalled opportunity for this in the growing Australian and New Zealand markets,” said Dr. Sahai.

“India is well-regarded in Australia as a quality and reliable supplier of textiles and apparel, and with a membership body of 100,000 exporters from every goods and services sector in the country, FIEO is uniquely positioned to showcase India’s prosperous industry.

We are thrilled to be returning to International Sourcing Expo Australia for the seventh time in 2019," said Dr. Sahai.

Julie Holt, Exhibition Director at IEC Group said FIEO are a pivotal partner of International Sourcing Expo Australia.

"FIEO's commitment to developing export growth for the Indian textile and apparel sector through consistent attendance at the show provides welcome assurance to Australian buyers as they look to do business with Indian companies.

The long-standing partnership plays very well for all parties and we are consistently striving to offer more opportunities for Indian exporters to reach Australian buyers," Holt said.

Now in its 10th edition, International Sourcing Expo Australia attracts some of the world's leading apparel, accessories, textiles and footwear suppliers over three days in November (12-14 November) at the Melbourne Convention and Exhibition Centre.

With registration numbers up 10 percent at last year's International Sourcing Expo Australia and co-located Footwear & Leather Show Australia and China Clothing & Textiles and Accessories Expo, more than 4,000 trade visitors are again expected from Australia's large fashion retailers, niche fashion brands, start-up labels, online outlets and independent fashion designers.

Following the successful launch of Global Runway in 2018 as part of the show, the popular runway program will return in 2019 to showcase the collections of emerging and established fashion designers.

Positioned on the show floor, the runway shows feature designs from across the globe and are enjoyed by a fashion focused buying audience from Australia and beyond.

Another insightful series of the Global Sourcing Seminars will again provide valuable market insights and business tips to Australian buyers.

The comprehensive three-day program led by international industry experts and keynote speakers is a major drawcard to the show and is consistently well-attended by visitors.

Seminars focused on the Australian market also feature at the show and provide an opportunity for exhibitors to learn more about how to target the Australian market and understand more local trends and seasonality.

In 2018 the expo attracted more than 720 manufacturers and agents from 19 countries – China, India, Pakistan, Bangladesh, Hong Kong, Indonesia, Vietnam, Malaysia, Singapore, United States, Fiji, Australia, Turkey, South Africa, Taiwan, Nepal, Serbia, Italy, and Thailand. The 2019 edition of the event is expected to attract even wider participation.

India's participation across both the International Sourcing Expo and Footwear & Leather Expo was the largest of all national representations in 2018 with a total participation of 130 companies across the two events.

FIEO has led the very strong participation by Indian export organisations and exhibiting companies at the show. In 2018 participation included Apparel Export Promotion Council, Wool and Woollen Export Promotion Council, and Handloom Export Promotion Council.

This strong and enduring presence confirms India's continued focus on the Australian market and opportunities. Council for Leather Exports India was a major drawcard in the co-located Footwear and Leather Show.

Source: indiaretailing.com- Apr 12, 2019

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Pact inked to empower handloom weavers

Tata Trusts, Microsoft India join hands to impart business skills, digital literacy

Tata Trusts and Microsoft India have signed a Memorandum of Understanding (MoU) to jointly rejuvenate the handloom clusters in the eastern and north-eastern parts of the country.

Through this collaboration, both partners will be leveraging each other's strengths to provide business and communication skills, design education and digital literacy to handloom weavers to build a sustainable future in the slow fashion industry.

Project ReWeave

Microsoft's Project ReWeave will help preserve traditional weaving forms by upskilling workers, designing and marketing merchandise, and creating sustainable livelihood options. The project has implemented a new e-commerce platform by setting up digital empowerment centres and design curriculum in Telangana's weaving clusters of Rajouli, Chottuppal, Pochampally, Naryanpet and Gadwal, and will shortly extend it to Warangal and Siddipet.

Microsoft will also enable digital training through Project Sangam, a Microsoft Azure-based Learning Management System, which provides necessary training and tools to weaving communities to help them realise their full potential.

Antaran initiative

Tata Trusts' initiative, Antaran, aims at rejuvenating ailing handloom clusters through an end-to-end programme, which would nurture artisans as designers and entrepreneurs.

The Trusts have initiated intensive work in Odisha, Assam and Nagaland. The programme will benefit 3,000 artisans directly involved in pre-loom, on-loom and post loom processes, impacting the livelihood of weavers in six weaving clusters in these three States.

Commenting on the partnership, R. Pavithra Kumar, chief programme director, Tata Trusts, said, "We are delighted to partner with Microsoft India to digitally educate and further empower these weavers.

Often, these communities are marginalised and do not receive much exposure to modern technical amenities or training to develop business skills. Through this initiative, we want to empower artisans and bring them on a par, making them competitive in the industry."

Anil Bhansali, CVP Cloud & Enterprise and managing director, Microsoft India, said, "As a part of our philanthropies' programmes in India, we are focused on reviving some of the forgotten and fading handloom forms in India's textile heritage.

Our partnership with Tata Trust will help reach down to the grass-root level of the weaver clusters and train them, building a digitally inclusive society. We will use Project Sangam to empower the weavers across India so that they can adopt and deploy digital tools to improve their craft."

Employing over seven million families in India, the craft sector is the country's largest source of employment after agriculture. In addition to having a high potential of employment, the sector has great economic importance in terms of foreign exchange earnings.

Source: thehindu.com- Apr 12, 2019

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