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## INTERNATIONAL NEWS

### **US Cotton Industry Develops New Protocol for Greater Sustainability**

As the U.S. cotton industry moves to meet its 2025 sustainability goals, it has introduced the U.S. Cotton Trust Protocol, an integrated data collection, measurement and verification procedure that will document U.S. cotton production practices and their environmental impact.

The data is intended to benchmark farmer's gains toward industry goals and will provide the global textile supply chain additional assurances that U.S. cotton is produced in a responsible manner.

"We know that U.S. cotton growers continue to embrace new technologies and management techniques that reduce impact and increase yield, but today's textile industry needs more than just our word," Cotton Council International president Ted Schneider said speaking Tuesday at the Cotton Sourcing USA Summit in Scottsdale Ariz., where more than 400 attendees from 26 countries, including 175 mills, gathered for a "who's who" of the global cotton industry.

"The Trust Protocol is meant to address that need with a tangible and transparent snapshot of U.S. cotton growing practices and the gains resulting from them."

Methods embraced as part of the protocol would include subsurface water sensors and GPS-guided automated harvesters, as well as overall soil management, noted James Pruden, senior director of public relations at Cotton Incorporated.

By way of example, Pruden pointed out that a 2008 survey of U.S. growers, showed 39 percent indicating they planted winter cover crops to improve soil health. In a 2015 survey, that percentage rose to 48 percent.

"In some cotton-growing regions, such as West Texas, essential moisture for cover crops is scarce," Pruden said. "A citizen-scientist network has been established in West Texas to develop alternatives to the standard cover crop practice in this region."

While Schneider says he would argue that U.S. cotton “is already among the most sustainably produced in the world” thanks to a comprehensive regulatory environment stateside and the close connection of U.S. growers to their land, the industry is still working to further improve its sustainability.

The U.S. cotton national sustainability goals announced last year aim for several targets by 2025, including a 13 percent increase in productivity, such as reduced land use per pound of fiber and an 18 percent increase in irrigation efficiency. To achieve this, the industry will have to rely on increasing the use of irrigation-efficiency tools, such as sub-surface water sensors, irrigation schedulers and flow meters, Pruden noted.

Additional goals include a 39 percent reduction in greenhouse gas emissions, a 15 percent reduction in energy expenditures, a 50 percent reduction in soil loss and a 30 percent increase in soil carbon. Energy expenditures, Pruden explained, include anything that utilizes energy, such as passes with a tractor and fertilizer applications.

The details of the U.S. Cotton Trust Protocol are being fine-tuned and a pilot program will be launched in 2019 and fully implemented with the 2020 cotton crop year. Participating growers would be required to adopt a data tool that allows for the quantitative measurement of key sustainability metrics, such as the FieldPrint Platform from Field to Market. Growers would also complete a self-assessment checklist of best management practices, with a sampling of participating producers subjected to independent verification.

The online interface and associated databases are being developed by Memphis-based company The Seam.

“The real sweet spot of the Protocol is the data collection and sharing aspect,” Pruden said. “These serve two purposes: One, to get a more accurate snapshot of grower practices to inform research, as well as identify low-hanging fruit for more widespread adoption of practices, and the reporting to the textile supply chain of the practices and their impact.”

Source: [sourcingjournal.com](http://sourcingjournal.com)- Nov 13, 2018

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## **US Investigates Illegal Import Charges on Polyester Yarn From China, India**

The U.S. Commerce Department has launched investigations to determine whether polyester textured yarn from China and India is being dumped on the U.S. market, and if producers in those countries are receiving unfair subsidies.

The antidumping duty (AD) and countervailing duty (CVD) investigations were initiated following petitions filed last month by Greensboro, N.C.-based Unifi Manufacturing Inc., and Nan Ya Plastics Corp. America of Lake City, S.C.

As part of the AD investigation, the Commerce Department is looking into whether imports of polyester textured yarn from China and India are being sold in the U.S. market at less than fair value, and are therefore creating unfair competition. The alleged dumping margins for China and India range from 74.98 percent to 77.15 percent, and 35.14 percent to 202.93 percent, respectively. The margin is defined as the amount by which the export price is below market value, which makes these numbers substantial.

Meanwhile, the CVD investigation is seeking to determine whether Chinese and Indian producers of polyester textured yarn are receiving unfair government subsidies. There are 20 subsidy programs under review in the China CVD investigation, including those allegedly providing low-priced inputs and preferential loans and grants, as well as income tax incentives. In the India CVD case, 43 subsidy programs are under review, including tax incentives, provision of low-priced inputs, and grants and loan subsidies.

If Commerce makes affirmative findings in these investigations and the U.S. International Trade Commission (ITC) determines dumped or unfairly subsidized U.S. imports of polyester textured yarn from the countries are causing injury to U.S. industry, the agency will impose duties on those imports in an amount to make up for the dumping or unfair subsidization.

In 2017, imports of polyester textured yarn—a synthetic multifilament produced through a texturing process that gives special properties to the filaments of the yarn—from China and India were valued at an estimated \$35 million and \$19.6 million, respectively.

While the Commerce department investigates whether polyester textured yarn from China and India is being dumped and unfairly subsidized, ITC will conduct its own investigations into whether U.S. industry and its workforce are being harmed as a result.

The ITC will make its preliminary determinations on or before Dec. 3. If the ITC preliminarily determines there has been injury to the U.S. market, or the threat of it exists, then investigations will continue, with the preliminary CVD determinations scheduled for Jan. 11 and preliminary AD determinations scheduled for March 27.

A positive determination will require U.S. Customs and Border Protection to start collecting cash deposits from all U.S. companies importing polyester textured yarn from China and India.

If Commerce finds these products are not being dumped or unfairly subsidized, or the ITC finds there is no harm to U.S. industry, then the investigations will be terminated and no duties will be applied.

Laws against anti dumping and countervailing duties provide U.S. companies a means for seeking relief from the effects of unfairly priced imports.

Foreign companies that price their products in the U.S. market below the cost of production or below prices in their home markets are subject to antidumping duties.

Companies that receive unfair subsidies from their governments, such as grants, loans, equity infusions, tax breaks or production inputs, are subject to countervailing duties aimed at directly countering those subsidies.

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## **China: Microsoft's Xiaoice chatbot is now designing textile patterns**

Microsoft has expanded the artificial intelligence (AI) capabilities of its Xiaoice chatbot, which is now designing images and patterns for China's textile industry.

Going beyond its initial roles as a voice assistant, radio host, singer and a friend to 660 million users, Xiaoice has already designed new prints based on data on colour trends from the China Textile Information Centre and China Textiles Development Centre (CTDC).

The designs have since been adopted by textile manufacturers and turned into ready-to-wear pieces and printed fabrics. Xiaoice has also composed poems to accompany the designs, underscoring the breadth of content creation capabilities enabled by AI.

“Artistic prints and patterns are very important elements for fashion trends,” said CTDC president Li Binhong. “It is definitely exciting to know that Xiaoice can develop immaculate designs for production of fabrics or ready-to-wear collections. These designs are extremely popular among younger generations, who can hardly imagine their lives without Xiaoice.

“In an industry where trends can rapidly evolve on a day-to-day basis, AI will help us to stay ahead of competition and deliver highly creative collections in record time.”

Microsoft said Xiaoice's new designing capability is a breakthrough in the field of image-based creation. Its textile artwork was developed through inspirations and simulations – just like a human does. Today, it is able to mine context, tonality and emotions from text to create unique patterns within seconds.

And through consistent and intensive learning, Xiaoice has acquired understanding of shapes, colours and textures of common objects in the physical world. By determining the spatial relationship between different objects, it has been able to produce abstract spatial drawings and outlines. Since its debut in 2014, Xiaoice has appeared on radio and TV shows, published a collection of poems, released dozens of songs and generated financial reports.

Microsoft's other AI breakthrough came in March 2018 when its team of US and Chinese researchers successfully developed a system that can translate Chinese language news articles into English with human accuracy.

The researchers said they were able to achieve human parity on a test set of news stories released by an industry and research group at a machine translation conference.

Source: computerweekly.com- Nov 13, 2018

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## **Mnuchin, China's Liu Are Said to Resume Dialogue on Trade**

U.S. Treasury Secretary Steven Mnuchin and Chinese Vice Premier Liu He have resumed talks on trade, and a potential Washington visit by Liu is being considered before the nations' top leaders meet later this month.

The two officials spoke by phone on Friday, according to people briefed on the matter, who asked not to be named due to the sensitivity of the topic. The conversation didn't yield any concrete results, the people said. The Hong Kong-based South China Morning Post reported Tuesday that Liu was "expected" to visit Washington shortly. The Wall Street Journal first reported the phone call Monday.

The phone discussion followed a call between President Donald Trump and China's Xi Jinping two weeks ago — the first publicly disclosed call in six months. The two leaders are slated to meet at the Group of 20 nations summit in Argentina, which is scheduled to take place from Nov. 30 to Dec. 1.

Asian stocks came off their lows after the report Tuesday, and the Australian and New Zealand dollars climbed. China's yuan was poised to advance for the first time in five days.

U.S.-China talks have made little progress since May, when Trump put a stop to a deal that would have seen China buy more energy and agricultural goods to narrow the trade deficit.



In Beijing, Trump’s move was seen as an insult to Xi, who sent Liu — his top economic policy official — to Washington for the negotiations, and cemented a view that Trump’s real goal was to thwart China’s rise.

“We are willing to negotiate with the U.S.,” Chinese Premier Li Keqiang said at an event Tuesday in Singapore, adding that the talks should be carried out on the basis of mutual respect, balance and good faith. He said he was confident China and the U.S. have the wisdom to “be able to find a solution that is acceptable to both sides.”

While Li acknowledged that China and the U.S. had disputes in areas other than trade, he said those disagreements could also be contained with dialogue. “As long as we respect each other’s core interests and major concerns, we will be able to contain and resolve the disputes,” Li said.

China’s Foreign Ministry didn’t immediately respond to a faxed request for comment on the call.

The two nations have levied several rounds of tariffs on each other’s goods, and tariffs on \$200 billion Chinese imports are due to rise to 25 percent from January in the absence of a breakthrough in negotiations.

In a speech to a Washington think-tank on Friday, Peter Navarro — a White House trade adviser who is one of the most outspoken China hawks in the administration — warned “Wall Street” bankers not to get involved in shuttle diplomacy with Beijing.

In a thinly-veiled broadside at Mnuchin and other advocates of a negotiated solution he also said no one but Trump or Robert Lighthizer, the U.S. trade representative, should be negotiating with Beijing.

The Trump administration has said that it wanted a substantive response to a long list of demands for what it calls “structural” changes in Chinese industrial policy. Trump has rejected a number of deals negotiated by aides such as Mnuchin and U.S. Commerce Secretary Wilbur Ross that were focused on increasing purchases rather than substantive reforms.

Source: [sourcingjournal.com](http://sourcingjournal.com)- Nov 13, 2018

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## **USA: Amazon's Apparel Offering Climbs 27 Percent in Six Months**

Amazon is bringing more and more apparel into its e-commerce fold.

And increasingly, third-party sellers are fueling that growth as many may be parting with their previous Amazon standoffs and embracing more of the 'if you can't beat 'em, join 'em' mentality.

In analyzing 1.12 million apparel products across men's and women's categories on Amazon, Coresight Research said in a report released Tuesday, that in the time between February and September 2018, apparel listings on Amazon increased 27.3 percent—driven largely by a 30.5 percent leap in third-party listings. By contrast, clothing items listed for sale by Amazon itself increased just 2.2 percent.

“As Amazon builds its fashion offering through partnerships with brands and the expansion of its private-label offering, one might expect the share of clothing offered by those third-party sellers to fall. But, in fact, we have seen the opposite,” Coresight said in the report.

Of the 1.12 million products surveyed, researchers found just 11.1 percent listed as for sale by Amazon, compared to the 88.9 percent on offer from third-party sellers.

When it comes to Amazon's apparel product mix, that's shifting in line with sellers' behavior, too.

“In just over six months, we have seen major brand shifts on Amazon Fashion,” Coresight said. “The number of Nike listings has slumped 46 percent, driven entirely by a drop in third-party listings that followed Amazon's partnership with Nike. The number of Tommy Hilfiger products has grown rapidly, fueled by third-party sellers. Under Armour listings have grown strongly on the back of many more first-party listings.”

While sportswear may have fueled much of Amazon's early success in apparel, Coresight said the e-tailer is rebalancing its offering, with categories like suiting showing sizable growth. Findings from the research show a 98.6 percent increase in women's suiting and blazer listings, and a 52.2 percent

rise in men's suits and sport coats between February and September this year.

In other apparel categories for women's, jumpsuits, rompers and overalls saw the biggest spike, with the category growing 184.6 percent in the little more than six-month period. Pants and sweaters also saw strong growth, with the former showing a 67.9 percent increase in product listings on Amazon, and the latter ramping up 63.3 percent.

In men's, suiting saw the biggest increase across categories, with listings for jackets and coats growing 46.6 percent, followed by sweaters at 44.6 percent.

And what's perhaps of particular note, the leading five brands among Amazon's top 30 brands by number of listings, aren't really brands at all.

"In the past half year, low-price generic brands have made a major incursion into Amazon's listings, and these anonymous, often-imported goods are swamping the branded offering," Coresight said. "Four unknown 'brands' (which actually offer unbranded products) have captured the top positions on the list of brands offered on Amazon Fashion: brands such as WSPLYSPJY, Cruize and Comfy are shipped to customers, apparently from China, with long delivery times of five weeks or more."

WSPLYSPJY alone, which outnumbers the next most prevalent brand by a threefold sum, had 96,210 products listed on Amazon as of September. That's an 8.6 percent share of all of Amazon's men's and women's apparel listings and the non-brand wasn't even available on Amazon earlier this year.

Cruize, Comfy and two more unbranded "brands"—Fubotevic and ZeroGravitee—rounded out the top five with the most product available on Amazon. Gildan ranked No. 6, followed by Hanes, Calvin Klein, Sport-Tek and Ralph Lauren to complete the top 10.

"The number of Gildan listings on Amazon Fashion grew significantly between February and September this year," Coresight said, adding that Gildan chief financial and administrative officer Rhodri Harries said during an earnings call in May that the company launched the full line of Gildan branded men's underwear on Amazon in January, and that, "sell-through has exceeded our expectations, and our men's underwear brand is now among Amazon's top-selling brands in this category."

In sum, all signs point to Amazon Fashion maturing, though its apparent attack on the apparel industry with its own private label product seems to, in fact, be much more understated.

“The rankings of most-listed products have been swamped by ultralow-price, generic clothing items that are dispatched on order from China,” Coresight said. “Amazon has not been growing its own inventory to burnish its credentials as a fashion retailer.”

Source: sourcingjournal.com- Nov 13, 2018

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### **Eurasia grants Bangladesh duty free**

Bangladesh can obtain duty-free export privilege to Eurasian Economic Union (EEU) countries, which include Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan. At a time when the industry is actively looking at market diversification, duty-free export privilege to the Eurasian Economic Union is expected to go a long way towards facilitating the same. A protocol has been signed between Bangladesh and Russia.

After the disintegration of the Soviet Union, 11 ex-Soviet states constituted a political block named the Commonwealth of Independent States (CIS). Five member countries of EEU are also members of the CIS. The Eurasian Economic Union was created in 2015 and meant to be the first successful post-Soviet initiative to overcome trade barriers and promote integration in a fragmented, under-developed region. It covers a single economic market of 170 million people and a gross domestic product of 2.7 trillion dollars.

On paper, the EEU is an economic, technocratic project that offers some benefits to members, particularly in easing cross-border trade and facilitating labor migration. Access to Russia’s labor market has been an important motivator and, on balance, a positive outcome for struggling post-Soviet economies. There are also expected to be long-term gains from harmonising customs and trade rules.

Source: fashionatingworld.com- Nov 13, 2018

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## Digital printing grows at 16 per cent

The global digital textile printing market is projected to expand at a compound annual growth rate of 16.3 per cent during 2018-2027. Taking the lead will be the Asia Pacific region (excluding Japan), whose growth will be mainly attributed to contributions from emerging economies, such as India and China.

This region is characterized by a robust political, demographic, and economic ecosystem of the leading emerging economies; and a rapidly growing digital textile printing industry in the region will lead to optimum growth levels in the coming decade.

China is expected to be at the forefront, spearheading the growth. The Chinese digital textile printing market has witnessed rapid growth in the past couple of decades.

End user sectors of digital textile printing, such as food and beverage, personal care, pharmaceuticals and automotive, are increasingly adopting digital textile printing on their sales promotion devices. Growing promotional activity has increased the growth of the digital textile printing market.

Revenue from digital textile printing in North America is estimated to account for over 43 per cent of the global digital textile printing market revenue in 2018.

Key players in this market include Durst, Seiko Epson, Roq, Konica Minolta, Kornit Digital, Mimaki, Sawgrass Technologies and the M&R companies.

Source: fashionatingworld.com- Nov 13, 2018

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## **Despite wage hike, Bangladesh still has one of the lowest labor costs**

Even after the latest wage hike for apparel workers effective next month, labor costs in Bangladesh for manufacturing clothing products are among the lowest in the world.

The edge gives manufacturers a definite competitive advantage in export markets. Cheap labor is one of the strong factors behind the success of Bangladesh in apparel exports.

Apparel workers in Bangladesh are still the lowest paid by global standards.

Labor in Bangladesh is still cheap and the average monthly wage is just 101 dollars, compared with 135 dollars for Myanmar, 170 dollars for Cambodia, 234 dollars for Vietnam and 518 dollars for China.

However, this advantage is being eroded due to a rise in production costs, rise in wages and investment for safety improvement.

For the moment, policy support including cash incentives, duty exemptions are factors that are helping the sector remain competitive in export destinations.

Technical training and workers' dedication will increase productivity, but there has to be motivation. Health, education, technical training and motivation are needed to this end, where Bangladesh is weak.

Technological development will help increase productivity but the challenge is that the introduction of technology will cut employment though productivity will increase for those who remain on the job.

Source: fashionatingworld.com- Nov 13, 2018

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## ICA trains more than 50 delegates on Total Trade

The International Cotton Association (ICA) in association with the Beijing Cotton Outlook Consulting (BCO) delivered a two-day 'Total Trade' training course to more than 50 delegates in Luoyang, China. Developed in response to industry demand, the training was delivered by Dr Robert Jiang from ICA concentrating on all aspects of cotton and yarn trade.

"Total Trade training aims to provide an insight into the key areas of cotton and yarn trading in an interactive learning environment. This year's event is more riveting in light of some fundamental changes to the import volume, policies and inspections. I am very pleased with the success of this course and would like to express my gratitude to BCO for their support in helping us to deliver the training so effectively," said Jiang at the training programme.

The recent training focused on four key areas including the trading process as a whole, experience of business enterprises, problem avoidance and relationship building. Now, the ICA plans to deliver more Total Trade training courses at various global locations in the future.

Source: fibre2fashion.com- Nov 13, 2018

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## Challenges for Bangladesh garment industry

Bangladesh is battling to keep its position as the world's second-largest exporter of clothing. It is facing tough competition from Cambodia, Vietnam, Myanmar and now African countries like Ethiopia.

Competitive pressure has sparked consolidation. The number of factories has fallen by 22 per cent in the last five years. Those who have survived are expanding overseas and aiming to go public.

In the year ending June, Bangladesh's garment exports were up 8.8 per cent and account for 83.5 per cent of the country's total exports. The country has also increased its share of global clothing exports to 6.3 per cent in 2016 from four per cent in 2010.

But labor costs are rising across Asia and Bangladesh is no exception. Factories in Bangladesh have grown in a haphazard fashion, some even operating on the upper floors of office or residential buildings.

Western apparel makers feel more secure buying from countries like China and Vietnam, where manufacturing is better planned and organized.

Price pressure is intense. Western customers are demanding that prices be kept under control. Since the Rana Plaza disaster, western brands will not buy from Bangladesh's suppliers unless they are certified to be in compliance with stringent fire and building safety regulations.

Source: fashionatingworld.com- Nov 13, 2018

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## **Vietnam's lawmaking body ratifies TPP pact**

Vietnam's National Assembly, unanimously ratified a landmark 11-country deal that will slash tariffs across the Asia-Pacific. This ratification makes Vietnam the seventh country to have passed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Vietnam has already signed around a dozen free trade pacts to scrap, or cut, taxes on several imports and exports.

The ratification will remove taxes on nearly 43 percent of Vietnam's apparel exports to Canada and 100 percent after four years. The pact, which includes specific requirements on labor rights and conditions of work, is also expected to help Vietnam advance in labor reforms.

Australia, Canada, Japan, Mexico, New Zealand and Singapore had earlier formally ratified CPTPP, which takes effect at year-end. The original 12-member deal was thrown into limbo early last year when US President Donald Trump withdrew from the agreement to prioritise protecting US jobs. Brunei, Chile, Malaysia and Peru are the four remaining members yet to ratify the pact.

Source: fashionatingworld.com- Nov 13, 2018

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## **Vietnam: Experts: CPTPP to create impetus for textile, footwear industries**

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) agreement is expected to aid Vietnam's exports, especially textiles and footwear industries, when it takes effect, according to experts.

One of the key contents of the CPTPP is the removal of 95-98 percent of tariff lines as soon as the agreement enters into force. The remaining tariff lines will be cut over the next seven years, moves predicted to aid the growth and export turnover of the two industries.

Vietnam's garment and textiles export turnover hit 25.2 billion USD in the first 10 months of 2018, up 17.1 percent year-on-year. Meanwhile, footwear exports were valued at 13 billion USD, 9.7 percent higher than in the same period last year.

The export turnover of garment and textiles recorded growth in key markets such as the US, the EU, the Republic of Korea, China and member nations of the CPTPP.

According to the Vietnam Textile and Apparel Association (VITAS), the CPTPP will help Vietnam accelerate its growth and make the export market more balanced. The zero-percent tariffs will help the country's textile and garment industries expand market share in countries with high tax rates like Canada, New Zealand and Australia.

Vietnam's export turnover of the industry is forecast to reach 35 billion USD in 2018. The figure is expected to climb to 50 billion USD in 2025.

Experts, however, also pointed out difficulties facing the sector.

The CPTPP sets strict requirements on product origin, which is a big challenge for Vietnamese enterprises and the textile and garment and footwear sectors in particular, as they are heavily dependent on material sources imported from China, India and other ASEAN countries.

Truong Van Cam, Vice President of VITAS said the current source of materials for Vietnam's textile and garment industry is limited.

The US, the EU and Japan are now the three largest export markets of Vietnam. Vietnamese exporters have been advised to continue promoting the support industry, and ensure the origin of raw materials for production.

For the footwear industry, the CPTPP is also an opportunity for exporters to expand their markets to Chile, Australia, New Zealand, Mexico and Canada and Japan. Experts said Vietnamese exporters of footwear have great opportunities to sell products in Japan, one of the key markets for the sector.

If enterprises know how to make full use of terms from the CPTPP, growth in this market is likely to increase, they stressed.

Vietnamese businesses will also have more opportunities in Canada, which will impose a zero import tariff on both leather shoes and handbags immediately. However, to benefit from this agreement, footwear enterprises will have to overcome considerable challenges.

According to Nguyen Duc Thuan, Chairman of the Vietnam Leather and Footwear Association (Lefaso), businesses should explore regulations related to customs procedures and logistics of member countries of the CPTPP, while improving the quality of their products.

The government should support enterprises by creating a fair playground and minimising administrative procedures to protect Vietnamese firms in the domestic market, Thuan said. Phi Ngoc Trinh, General Director of the Ho Guom Garment Group, said his company has invested in equipment and built more factories and production lines to meet quality standards of fastidious markets.

Meanwhile, Vu Duc Giang, Chairman of the Board of Directors of Bao Minh Textile JSC, said all production lines of the firm use the most advanced equipments from famous global brands.

Each year, Bao Minh provides more than 35 million metres of high quality fabric for the fashion brands. The firm has contributed to increasing the supply of raw materials in the country, helping businesses reduce imports of raw materials.

Source: en.vietnamplus.vn - Nov 13, 2018

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## NATIONAL NEWS

### **RCEP pact put off till next year**

*Trade Ministers seek more time to discuss e-comm, competition, investment issues*

Trade Ministers from the 16-member countries negotiating the Regional Comprehensive Economic Partnership (RCEP) agreement, including India, China and the ASEAN, have decided to push the year-end target for a “substantial conclusion” of the talks by a year due to differences on key issues.

“Ministers guided the negotiators to deliberate further on e-commerce, competition and investment chapters where consensus could not be reached during this meeting. Ministers urged the negotiators to intensify their work with a view of narrowing gaps and finding balanced outcomes in the negotiations with the aim of concluding negotiations by 2019,” according to an official release of the Commerce Ministry.

Commerce & Industry Minister Suresh Prabhu led the Indian delegation at the RCEP Ministerial meeting in Singapore on Monday and Tuesday. Trade Ministers will now give their inputs to the heads of State of RCEP countries scheduled to attend the Summit meeting on Wednesday. Prime Minister Narendra Modi will represent India at the meet.

The RCEP also includes Japan, South Korea, New Zealand and Australia and together the 16 nations account for 40 per cent of world trade.

Different opinions

While most members, including many of the ASEAN countries, were keen to have a part-conclusion of the RCEP pact by the year-end, India, backed by Malaysia, the Philippines and Vietnam, was of the opinion that market access issues needed to be ironed out both in goods and services and there was need for more time.

The Ministers acknowledged that good progress had been made in the negotiations with successful conclusion of seven chapters which include economic and technical cooperation, small and medium enterprises, Customs procedures and trade facilitation, government procurement,

institutional provisions, standards, technical regulations and conformity assessment procedures and sanitary and phytosanitary (SPS) norms, the release said.

On the side lines of the RCEP, the Commerce Minister held bilateral meetings with his counterparts from Singapore, China, Japan and New Zealand. He discussed bilateral issues and progress in RCEP negotiations. He also had pull-aside meetings with Trade Ministers of South Korea, Indonesia, Cambodia, Malaysia, Australia and Philippines to discuss matters of mutual interest.

Source: thehindubusinessline.com- Nov 13, 2018

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### **Cotton crop estimate put at 373 lakh bales for 2018-19**

Indian Cotton Federation has finalised the crop estimate for 2018-19 at 373 lakh bales with each bale weighing 170 kg, president of the federation J Thalasisdharan said here Tuesday.

The federation recorded the highest acreage and seed sales were nearly five lakh packets, he said in a press release.

Besides, there has been no major pink bollworm menace as there were close monitoring and quick action, the release said.

With production standing at 373 lakh bales and import of 18 lakh bales, the total supply for the current season would be 434 lakh bales, it said. The demand would be 320 lakh bales for mills and other consumption and 60 lakh bales for raw cotton export, leaving 54 lakh bales as carryover stock, the release said.

The federation arrived at all these estimates as the Cotton Advisory Board has not met for a long time causing uncertainty thereby creating hardship for the trade and the spinning industry, it added.

Source: thehindubusinessline.com- Nov 13, 2018

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## **Chinese bank sets up \$ 200 mn fund for investing in Indian MSMEs**

The Indian unit of China's largest bank, the Industrial and Commercial Bank of China has set up \$ 200 million fund for investing in the promising Indian micro, small and medium enterprises and ventures, its official said here.

Zheng Bin, CEO of the Industrial and Commercial Bank of China (ICBC) India, on Monday gave an overview of Indian start-up ecosystem and how to invest in them at the 2nd 'Start-up India' Investment Seminar organised by the Indian Embassy here.

"He also informed that the ICBC India has established a \$ 200 million fund for investing in the promising Indian micro, small and medium enterprises (MSMEs) and ventures," the Indian Embassy said in a statement on Tuesday. The ICBC, a top state-run Chinese bank which is the country's largest lender by market value, has opened its branch in Mumbai in 2011.

More than 350 Chinese mostly representing Chinese Venture Capital (VC) funds, angel investors participated in the seminar. The event was planned to expose the Chinese VCs and investors to the promising Indian start-ups on one hand and help Indian start-ups to reach out to the huge Chinese investors community for receiving investment for growth of their companies, it said.

Addressing the event Acqino Vimal, Deputy Chief of Mission said Chinese investors should take part in the development process of India growth story through investing in Indian start-ups. He said India's young demography, rapid economic growth and fast pace urbanisation and its challenges work as hotbed for growth of Indian entrepreneurs and start-up ecosystem, as well as provide them opportunity for offering unique, innovative, and affordable solutions for these challenges.

During the seminar, a report "India — China: Start-ups & Beyond" by KPMG giving detailed account of Indian start-up ecosystem and why it is right place for making venture investments, was unveiled.

Source: thehindubusinessline.com- Nov 13, 2018

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## **Cotton Corp kick-starts procurement with 4,000 bales in Telangana**

More than a month after the procurement programme was formally launch on Oct 1, Cotton Corp of India has made its first purchase of around 4,000 bales (1 bale = 170 kg) of cotton in Telangana, a senior official with the state-owned agency said.

Procurement is being carried out in Khammam and Warangal districts of the southern state where prices fell to the minimum support price in the last couple of days.

The Centre has fixed minimum support price for the medium-staple variety of cotton at 5,150 rupees per 100 kg, and that for long staple at 5,450 rupees per 100 kg, both 1,130 rupees higher than last year.

“Procurement is expected to gain pace at all the centres in Telangana in the next 10-15 days as prices touch MSP levels in the wake of pick-up in supply post Diwali,” he said.

Though the corporation announced the procurement programme on Oct 1, there were hardly any meaningful purchases as prices remained much above the intervention level due to a one-month delay in the season and concerns over the size of the crop due to drought-like situation in key growing areas of top two states, Gujarat and Maharashtra, and also in Karnataka.

Today, arrivals of cotton across major spot markets in India were pegged at 142,500 bales, of which Telangana and Andhra Pradesh together accounted for around 25,000 bales.

The agency has around 160 centres in the south zone, of which 84 centres are in Telangana, the largest producer in south India. The Cotton Association of India recently scaled down its production estimate for 2018-19 (Oct-Sep) to 34.3 mln bales from 34.8 mln bales projected in October.

In 2017-18 the cotton output was estimated at 36.5 mln bales.

Source: cogencis.com- Nov 13, 2018

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## **India's textiles and clothing market, including exports grows in 2018**

As per key findings of the annual 'Market for Textiles and Clothing (MTC)': National Household Survey 2017, the overall market size of textiles and clothing including exports increased to \$146.63 billion in 2016 and further to \$164 billion in 2018.

Aggregate demand for textiles & clothing was 41.06 billion meter in 2016 which further reached to 45.32 billion meter in 2018, growing at a Compound Annual Growth Rate (CAGR) of 5.34 per cent from 2011 to 2018.

In value terms, the demand touched Rs 6, 204.02 billion in 2018, with CAGR of 9.54 per cent between 2011- 2018.

The per capita demand for textiles in 2016 was Rs 4,081.60 as compared to Rs 3836.13 in 2015. It touched Rs 4,762.90 in 2018. On the other hand, per capita demand for textile in quantity terms increased to 31.85 meter in 2016 and further to 34.58 m in 2018.

### **Demand for cotton fibers sees highest increase**

The aggregate demand for cotton fiber based product, was 17.22 billion meter in 2016 and increased to 19.29 billion meter in India's textiles and clothing market including exports grows in 2018 002 2018.

The demand for manmade fiber based product, on the other hand was 23.34 billion meters in 2016 and increased to 25.46 billion meters by 2018.

Similarly, the aggregate demand for pure silk and woolen fiber based product was 0.34 billion and 0.16 billion meter respectively in 2016. It is expected to have touched 0.37 and 0.20 billion meter respectively in 2018.

### **Power loom contributes highest to textile demand**

The mill/power loom sector contributed 33.97 billion meters (82.72 per cent) to the overall demand of textiles in 2016 compared to 31.85 billion meters in 2015. Similarly, the knitted sector contributed 4.94 billion meters to the total basket in 2016 as against 4.77 billion meters (12.39 per cent) in 2015.

At the same time, the handloom sector contributed 5.24 per cent to the total demand for textiles in the household sector. Aggregate demand for handloom textiles is 2.15 billion meters in 2016 as compared to 1.91 billion meters in 2015.

The aggregate demand for textiles by sector of manufacturing for 2018 for mill made/power loom, knitted/hosiery and handloom sector was 37.24 billion meter, 5.56 billion meter and 2.53 billion meter respectively.

### **Household sector growth highest**

The demand for household sector is the major contributor to overall growth of the sector with 53.39 percentage of share in the total market size.

While the export of textile and clothing decreased 4.66 per cent, demand in household and non-household sector grew 2.82 and 1.51 percentage respectively during 2016.

The growth in household demand of textiles has created an additional demand for 2,525 million meter of fabrics, which is an indication of the required capacity expansion in fabrics manufacturing in the country.

Similarly, the growing demand for newly emerged products like legging etc, provides an indication of the change in preference pattern of consumers in the country during the period.

Source: fashionatingworld.com- Nov 13, 2018

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## **4 new units coming up in AP**

Four major units are coming up in Andhra Pradesh with an approximate investment of ₹4,000 crore, generating nearly 20,000 jobs, according to a press release.

Chief Minister N Chandrababu Naidu, presiding over the State Investment Promotion Board meeting at the Secretariat in Amaravati, gave the green signal for setting up the units.

### **Arvind Mills unit**

Arvind Mills is setting up a greenfield integrated textile plant for the first time outside Gujarat at Kuppam in Andhra Pradesh, with an investment of ₹700 crore with a capacity to manufacture 24 million garments and 24 million fabric a year.

The textile plant will provide employment to 80 per cent of women with 9,300 direct jobs. Arvind Mills, producing denim jeans, is likely to start production in February 2020. The Chief Minister is likely to lay the foundation for the unit on December 13, when he attends MSME conclave at Tirupati.

### **THK plant**

THK, a leading Japanese manufacturer of linear motion equipment manufacturing company, will set up a manufacturing facility in Sri City, Chittoor district. The unit will provide a fillip to machine tool industry in India by providing components essential to increased precision, rigidity, speed and energy efficiency.

International Flavours and Fragrances India Pvt Ltd is ready to set up a flavours and fragrances unit at Chittoor at a cost of ₹525 cr to provide employment to 450.

Doowon Climate Control India Pvt Ltd is ready to set up an ancillary unit of Kia motors at Anantapur with an investment of ₹210 crore to provide employment to 350 people. Dong — A Hwasung India Pvt Ltd is also ready to set up an ancillary of Kia Motors at Anantapur with an investment of ₹35 crore to provide employment to 71 people.

THK's first plant in India will be located in Andhra Pradesh, providing employment to over 600 people with an investment of ₹800 crore.

### **Saint Gobain investment**

Saint Gobain will invest ₹2,000 crore for plasterboard, gypsum and glass manufacturing with an annual capacity of 11 lakh metric tonnes at Atchuythapuram in Visakhapatnam district. The unit would employ 1300 workers and will build an ecosystem and funnels the entire value chain of gypsum and glass based products.

On the occasion, Chief Minister Chandrababu Naidu exhorted the State Investment Promotion Board officials to intensify their efforts to attract more number of industries to the State.

Minister for Industries N Amaranatha Reddy, Principal Secretary of Infrastructure and Investments Ajay Jain and others were present.

Source: thehindubusinessline.com- Nov 13, 2018

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### **CCI cotton procurement yet to pick up as prices above MSP**

Cotton Corporation of India (CCI) has started procurement of cotton at Minimum Support Price (MSP) from farmers in Warangal district and Mehboob Nagar of Telangana. The process is yet to pick up pace with cotton prices already hovering over Minimum Support Price (MSP).

P Alli Rani, CMD, CCI said, "the procurement operations have just started and the Corporation has purchased nearly 3,000 bales from Warangal and 50 bales from Mehboob Nagar. Some bales are also procured from Akola in Maharashtra. The cotton prices are ruling above MSP in most cotton producing regions and arrivals are yet to pick up."

According to her, "market prices are above the MSP by Rs 50 to Rs 100 which is good for us. When the daily arrivals pick up, the situation may change. Currently traders are offering prices a little higher than MSP. The presence of CCI in the market is also keeping prices above MSP."

CCI has also opened some 348 centres across the country which can be scaled up to 390 centres depending on the requirement, she said.

Of the 40 centres in Telangana, purchases have begun in 6-7 centres and arrivals are nearly 1 lakh bales. Cotton prices are currently ruling at Rs 5,800 per quintal in most places including Khandesh in Maharashtra.

According to Alli Rani, prices were high as farmers are holding onto their stocks. “We had estimated that prices would fall after Diwali and are watching the situation,” she said.

Since the start of the cotton season on October 1, more than 20 lakh bales are said to have arrived in the market. Alli Rani said this is small as compared to the estimates of 350 lakh bales of the crop for the entire season. Trade and industry associations have given varying estimates for cotton production this year (October 2018 to November 2019), with expectations ranging from 343 lakh bales to 380 lakh bales.

Source: [financialexpress.com](http://financialexpress.com)- Nov 14, 2018

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## **Job creation a must in textile sector: Andhra Industries Minister N Amarnath Reddy**

The government has announced nine sector specific policies aimed at promoting the textile industry, Industries Minister N Amarnath Reddy said.

The government has announced nine sector-specific policies aimed at promoting the textile industry, Industries Minister N Amarnath Reddy said. “The sector, which is more labour-intensive, needs to be encouraged for job creation,” he explained.

Stating that the textile industry needed digital transformation, he stressed the importance for it to adopt artificial intelligence in order to compete with the global market.

The minister was speaking at the Textile 4.0 conference organised by the Confederation of Indian Industry (CII) and AP Spinning Mills Association here on Tuesday.

“The government has put in place single window clearance, which ensures time-bound delivery of services to the citizens,” he said, and added that work for all the memorandum of understandings inked during the Partnership Summit at Visakhapatnam were underway as per their schedule.

On the industrial corridors passing through the State, he commented, “The two corridors will give Andhra Pradesh a great opportunity for industrial growth... A corporation for encouragement of Micro, Small and Medium Enterprises have also been set up in the State.”

CII Vijayawada Chairman Sudhakar Chowdary said the government has understood the potential of textile industry as jobs’ creator and growth generator. He said the State’s textile policy was essential in development of missing segments in the textile value chain.

Source: [newindianexpress.com](http://newindianexpress.com)- Nov 14, 2018

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## **Rs 589 cr investment in state's handlooms and textile sector**

This apart, three textile parks will come up in the State at Dhamnagar (on 250 acre), Chhatabar (65 acre) and Ramdaspur (250 acres).

As many as 17 firms have expressed interest to invest to the tune of Rs 589 crore in the handlooms and textile sector during the ongoing Make in Odisha Conclave 2018. Minister Snehangini Chhuria informed that Shahi exports, which has a Rs 50 crore worth stitching unit, will invest another Rs 51 crore as part of its expansion plan in Odisha.

While 2,500 workers are already engaged by the firm, the new investment will create jobs for another 2,500 people, she said. Aditya Birla Fashion (Pantaloons) will invest Rs 66 crore in the State’s apparel sector, while World Lotus Fashion will invest Rs 20 crore to set up its stitching unit.

The total investments will create job opportunity for additional 18,805 people in the sector, she said. A total of 35 firms attended the session. This apart, three textile parks will come up in the State at Dhamnagar (on 250 acre), Chhatabar (65 acre) and Ramdaspur (250 acres).

International fashion designer Bibhu Mohapatra has evinced interest to work for Odisha's handlooms sector. "We have received around 180 design reference collections related to Sambalpuri sarees from Mohapatra," she said.

Department Secretary Subha Sharma said Government is providing benefits to textile sector through its Apparel Policy 2016. An incentive of Rs 1,500 per worker per month is provided.

Likewise, for apparel parks, 20 pc (up to Rs 20 crore) of the overall project cost and interest-free loan up to 10 pc of the project cost will also be provided to the investors, she said.

Source: [newindianexpress.com](http://newindianexpress.com)- Nov 14, 2018

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## **India's first award for sustainability in fashion invites entries**

The 'Circular Design Challenge, launched earlier this year as part of R Elans 'Fashion for Earth initiative, is open for entries. It will recognise the environmental champions of tomorrow in the Indian fashion and textiles industry.

The design challenge, launched in August at the Winter Festive 2018 edition of Lakme Fashion Week (LFW) in partnership with the UN in India, puts the spotlight on circular fashion. It is open to all fashion/accessory designers and entrepreneurs in India, read a statement.

With the upcoming Summer Resort 2019 season, LFW will continue its focus on fashion and sustainability.

This initiative will unravel the country's first award for sustainability, and will inspire innovation through circular design and offer solutions to reduce the environmental impact of the fashion and textile industry in the country.

The registration for the challenge is open till November 30.

Applicants must incorporate circular components across the textile value chain in their design through the application of circular-design principles and demonstrate a positive impact on the environment and on society. The designers will need to submit a proof concept of their sustainable collection, which must encompass key principles of circularity, sustainability, aesthetics and scalability. They can use any material for their collection, as long as it is up-cycled from diverse waste sources, including plastics.

The shortlisted entries will be judged, and a final winner will be announced by the jury on January 31, 2019, the Sustainable Fashion Day at LFW Summer Resort 2019. The winning collection will be showcased on Sustainable Fashion Day at LFW in August 2019.

Vipul Shah, COO - Petrochemicals, Reliance Industries Ltd., said: "As an industry leader, we have embraced circularity and sustainability in our core values and operations, aiming to make the world a better place for the generations to come.

"We are confident that the Circular Design Challenge will provide enormous opportunities for budding concept creators, fashion designers and the entire textile value chain to exhibit their innovative ideas, designs with a focus on circularity and sustainability. The initiative will help the entire Indian textile value chain to become a global leader in ingraining circularity in their business strategy and operations."

Yuri Afanasiev, UN Resident Coordinator in India, said: "From cultivation to weaving, from design to execution and transportation, fashion touches every part of the economy, affecting the lives of thousands of people along the way. It is vital that this process be sustainable, fair, and inclusive."

The design challenged, Afanasiev said, is an opportunity for innovative young designers to combine sustainable design practices with new circular business models.

"I am confident that this platform will encourage more design-led research to reduce textile waste and environmental impacts, helping accelerate the shift to circular fashion."

Source: [business-standard.com](http://business-standard.com)- Nov 13, 2018

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## **Vardhman Textiles reports 51,434 metric tonnes of Yarn production in Q2FY19**

Vardhman Textiles has reported the production and sales details for the second quarter of FY19 under Yarn, Grey Fabric and Processed Fabric segments.

Under Yarn segment, the production stood at 51,434 metric tonnes in Q2FY19, while sales (including Internal Transfers) stood at 50,362 metric tonnes for the same period.

In Grey Fabric segment, the production stood at 469 lakh meters in Q2FY19, while sales (including Internal Transfers) stood at 481 lakh meters for the same period.

Similarly, under Processed Fabric segment, the production stood at 341 lakh meters in Q2FY19, while sales stood at 312 lakh meters for the same period.

Vardhman Textiles, incorporated in 1973, is one of the pioneers in textile industry with operations in the segments of yarn, sewing thread, steel, and fabric.

Source: [udaipurkiran.com](http://udaipurkiran.com)- Nov 13, 2018

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## **Traders demand textile park in Nellore district**

Cloth traders have been demanding a textile park for a long time in the region as there is a huge potential for wholesale and retail textile and garment trade in the area.

Yielding to the demand of traders in Kavali, the State government has announced to construct a textile park spread over 60 acres at an estimated Rs 526 crore at Ulavapalla village in Nellore district.

But there has been no progress so far. There are around 450 wholesale and retail textile shops in the Kavali cloth market.

“We purchase cloth from Erode and Coimbatore and sell ready-made garments in local markets after stitching and at lower profit margins. We have to pay additional charges for importing cloth. If the cloth is locally available, it would be very helpful to us. Hence, we demand the government to build a textile park here,” said K Raghava Rao, a cloth merchant.

The Kavali traders purchase cloth from Mumbai, Surat, Ahmedabad, Jaipur, Kasi, Kolkata, Erode, Coimbatore, Tirupur and other parts of the country and sell the same in the market. They also sell the garments at cheaper prices across Andhra Pradesh and Telangana.

Kavali cloth market was established in 1955. There are around 7,000 skilled workers and daily wagers working in Kavali.

With the government not coming to their rescue, the cloth traders have planned to set up their own manufacturing units here. Recently, 10 manufacturing units were set up in the town.

Source: [newindianexpress.com](http://newindianexpress.com)- Nov 13, 2018

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## **India emerges as leading seed hub in Asia**

India has emerged as a major seed hub in Asia, with four Indian seed companies featuring in top 10 of the first ever “Access to Seeds Index for South and Southeast Asia”, a study said.

While the list was topped by the Thailand-based East-West Seed, the four Indian companies to lead seed industry on increasing smallholder farmer productivity were Advanta, Acsen HyVeg, Namdhari Seeds and Nuziveedu Seeds.

The other five companies in the list of top 10 were globally active seed companies from outside the region, said the “Access to Seeds Index for South and Southeast Asia” study published on Monday by the World Benchmarking Alliance, a global multi-stakeholder initiative.



“With many foreign seed companies investing in India and strong-performing companies from India itself, the country shows itself as a real powerhouse for the development and supply of quality seeds for smallholder farmers in the region,” Ido Verhagen, Executive Director of the Access to Seeds Index, said in a statement.

Nearly 21 companies sell seeds in India and 18 have invested in breeding and production activities in the country. In comparison, only 11 companies invest in breeding activities in Thailand and eight in Indonesia, the two other major regional seed hubs, according to the ASI, said the study. Namdhari Seeds and Nuziveedu Seeds scored high points due to breeding programmes with a strong focus on the preferences and needs of small-holder farmers.

Source: [financialexpress.com](http://financialexpress.com)- Nov 13, 2018

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## **The jobs debate: Lost in translation**

*Absence of credible data on jobs is a major stumbling block in analysing the Centre's record on job creation*

As the term of the incumbent government which came to power on the promise of creating millions of jobs for its young workforce nears completion, it is time to evaluate how the government performed on its word.

Unfortunately, much of the debate on the employment performance of the government has been mired in ambiguity due to the absence of credible employment data.

Following the recommendations of a Task Force set up by the government to review India's employment data architecture, the household surveys conducted by the National Sample Survey Organisation (NSSO) which have been the main source of employment data in India since the seventies have been discontinued.

The last such survey was conducted in 2011-12. Concomitantly, another household survey undertaken by the Labour Bureau since 2009, comparable in sample size to the NSSO's, has also been shelved after the 2015-16 round.

These two household surveys are in the process of being replaced by the Periodic Labour Force Survey (PLFS) which will produce annual employment estimates at the national and rural level, and quarterly estimates in urban areas. While the introduction of the PLFS is driven by the well meaning objective of producing frequent employment estimates, the results of this survey are unlikely to be out before the elections in 2019 raising several questions about employment trends in the interim period.

The government has recently started to use administrative data relating to payrolls, in particular the Employees' Provident Fund Organisation (EPFO), to provide high frequency real time information on the labour market. The release of payroll data has spawned considerable debate as its interpretation and analysis are fraught with challenges.

Based on the most recently released payroll series, it has been argued that 7.3 million formal jobs were added in the economy between September 2017 and August 2018. Several economists have doubted such claims of a surge in job growth and much discussion has happened on whether a new enrollment on the EPFO database does indeed reflect creation of a new formal job.

### **Pitfalls of EPFO data**

In fact, India's newly appointed chief statistician has also said that the EPFO numbers are at best a measure of formalisation of workforce, and do not represent job creation. Despite this clarification, several doubts persist and we need to be cautious in interpreting these numbers for multiple reasons.

The last few years have seen a concerted effort to increase enrollment on the EPFO database. In August 2016, the government launched the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) to incentivise creation of new jobs in the formal sector by paying the EPF contribution of the employer for all new employees enrolling in EPFO for the first three years of their employment.

The objective of this scheme is not only to encourage employers to recruit unemployed persons, but also to bring informal employees into the books. Further, the EPFO's efforts to ensure that contract workers who are deprived of their PF benefits receive their dues has resulted in increased enrollment of contract workers on the database.

Additionally, the implementation of GST has given an impetus to formalisation boosting the enrollment numbers. Such attempts to increase the outreach of the EPFO database suggest that we need to be more prudent in identifying whether additions to the databases truly represent new formal jobs or are simply capturing better enrollment of existing employed individuals.

Interestingly, the EPFO data series has been released six times so far, and each time, the previously released estimates have been revised. For instance, in the data released in October 2018, the payroll numbers for last year were still being revised. This constant volatility begs the question of whether this data is in fact ‘real time’.

Conceptually, too, the EPFO database has seen significant revisions. In August 2018, the EPFO started to report the number of subscribers who ceased their subscriptions and later ‘rejoined’ and ‘resubscribed’ to the database. This category has now been included in the net additions to databases implying that those who left a formal job and rejoined a formal job are counted as new formal jobs.

This change in the definition of ‘net payroll’, five months since its inception has only compounded the confusion surrounding the database. Not only do these revisions highlight the fragility of this database, but they also give the sense that this database is still ‘work in progress’. Making claims of formalisation on this basis appears a bit premature.

The larger issue, of course, is that the EPFO data cannot provide a holistic picture of the employment scenario.

### **The ‘unorganised’ factor**

India’s labour markets are characterised by dualism, where a large unorganised sector coexists with a far smaller organised sector. According to the NSS’s 2011-12 employment survey, approximately 93 per cent of India’s workforce was engaged in informal jobs.

In this backdrop, focusing the debate on a database which covers only the formal sector underestimates and deflects the enormity of the jobs challenge.

Payroll data is an important indicator in advanced economies where the nature of employment challenge is substantially different from that of economies like India which are struggling with disguised unemployment. The true magnitude of the jobs crisis cannot be gauged without data from household surveys, which cover both the organised and unorganised sector. The excessive focus on the payroll data to simply produce high frequency data without providing insights into the quality of employment serves little purpose.

Interestingly, the only data on employment available post 2015-16, is a privately conducted household survey by the CMIE. This survey shows the increase in employment between 2016 and 2017 to be a mere 1.4 million. A study prepared for the Prime Minister's Economic Advisory Council, by Surjit Bhalla and Tirthatanmoy Das has argued that 12.8 million jobs have been created in 2017.

The divergence in the two figures stems from the differences in estimates of labour force participation rate for women used by the two studies. This has led to a plethora of claims and counter-claims which have only made it harder to make sense of the jobs debate. Thus, the absence of credible government data has obstructed any meaningful analysis on the employment performance of the government. That this is happening in a pre-election year appears to be more than a mere coincidence.

Source: thehindubusinessline.com- Nov 14, 2018

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