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IBTEX No. 187 of 2017 September 15, 2017

USD 64.11 | EUR 76.33 | GBP 85.87 | JPY 0.58

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19553	40900	**81.36**

Domestic Futures Price (Ex. Gin), October

Rs./Bale	Rs./Candy	USD Cent/lb
18350	38384	**76.35**

International Futures Price

NY ICE USD Cents/lb (Dec 2017)	69.12
ZCE Cotton: Yuan/MT (Sept 2017)	15,570
ZCE Cotton: USD Cents/lb	**91.57**
Cotlook A Index – Physical	**79.10**

Cotton guide: The week has come to an end and cotton price is trading on the lower trajectory of the band. Currently the December future is at 68.23 down by 700 points from the week's high. The broad understanding remains on the bearish side for cotton amid the latest USDA report suggested crop numbers in the US would be more than 21.70+ million bales. However, since last two days market is completely lull and no other cues coming in from the market.

The trading volume was 21,771 contracts. Cleared yesterday were 39,602 contracts. It was a dull day in terms of trading and news. Also the USDA Weekly Export report was light all the way around, no surprise to the industry. Total sales for the week ended September 7th were 95,400 bales (upland 91,600/pima 3,800). Shipments were 112,200 bales (upland 108,500/pima 3,700).

Further on the market certified stocks began at 6,654 bales, down 352 in decerts. That is the lowest cert stocks have been since the 2015 calendar low of 6,441 bales. Dec first notice day is November 24th, Thanksgiving Friday, 10 weeks from tomorrow. Dec open interest began today at 142,796 contracts, down 1,603 contracts yesterday.

After the close the CFTC On-Call Cotton report for the week ended September 8th showed the second week in a row of record unfixed on-call sales; today's report at 131,053 contracts (13,105,300 bales), up 3,611 contracts (361,100 bales).

Total on-call purchases were 38,435 contracts (3,843,500 bales), down 879 contracts (87,900 bales). Dec prices for the reporting week ended September 8th were 7200 to 7575. That is the contract high so far. For comparison, total on-call one year ago were 73,062 contracts in sales and 23,308 contracts in purchases.

From the technical perspective the broad view remains weak and currently trading at 68.21. We expect the trading range for the day is 67.50 to 68.80 cents per pound while in the short term the band would be 66.15 to 70 cents.

Further on the domestic front cotton market steady. The October future moved steady and closed at Rs. 18430 up by Rs. 80 from previous close. The trading range for October would be Rs. 18530 to Rs. 18300 per bale. Further November future is expected to trade in the range of Rs. 17800 to Rs. 18200 per bale.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

Pakistan, China FTA talks begin; trade imbalance in focus

Pakistan and China on Thursday started talks to review free trade agreement, focusing on growing trade imbalances between the two neighboring countries.

Secretary Commerce Younus Dagha stressed the need to address balance of trade between the countries and visa issues faced by Pakistani businessmen during the eighth round of FTA's second phase to review tariff lines and concessions.

"The benefits of CPEC (China-Pakistan Economic Corridor) and CPFTA (China-Pakistan free trade agreement) shall be shared equitably by the two countries and should be a win-win proposition for both sides," Dagha said in a statement.

China is the biggest trading partner of Pakistan with annual bilateral trade volume standing at $12.2 billion. The bilateral trade, however, heavily tilts in China's favour. Pakistan imported $10.53 billion of goods and services from China during the last fiscal year, while its exports amounted to $1.62 billion, the State Bank of Pakistan's data showed.

The country, which recorded a decade-high growth of 5.2 percent during the last fiscal year, endured a trade deficit of more than $20 billion. China charges 3.5 percent duty on the import of yarn from Pakistan under the FTA while it also applies the similar duty on imports from India with which it has signed no accord.

The second phase was to be implemented from January 2014 after the bilateral negotiation for the review started in 2011. The first phase of CPFTA was signed in 2006 and became operational in the following year. Major areas under discussion during the 8th CPFTA include trade in goods and services and investment opportunities.

Wang Shouwen, vice minister of Chinese ministry of commerce expressed his desire to further strengthen economic and trade cooperation between the two countries. "After the conclusion and implementation of CPFTA, Pakistan will be able to expand its exports to China as the domestic consumption demand of China, with a population of 1.3 billion, is expanding exponentially," Shouwen said.

The present FTA covers more than 7,000 tariff lines at eight-digit tariff code under the harmonised system. A ministry of commerce report said Pakistan could not utilise the concessions granted by China under the first phase. It only exported in 253 tariff lines, where the average export value was $500 or more, which was around 3.3pc of the total tariff lines (7,550) on which China granted concessions to Pakistan.

Pakistan's key exports to China are raw material and intermediate products, such as cotton yarn, woven fabric and grey fabric. Value-added products are missing despite the fact that some of these products, like garments, are included in the concessionary regime.

Currently, Pakistan has reduced the duty on 35 percent products to zero percent while China has reciprocated by reducing the duty on 40 percent products of Pakistan's exports to zero percent.

Source: thenews.com.pk- Sep 15, 2017

HOME

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Pakistan: US urged to include textile, leather in GSP scheme

Pakistan and the United States need to focus on improving bilateral relation particularly in areas of economy and trade as there exists a lot of scope and opportunities in both countries.

This was stated by the head of political and economic affairs of the US consulate, John Robinson, in a meeting with members of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) on Wednesday.

He was emphatic that both the countries needed to 'significantly' improve bilateral relations in certain areas. The acting president FPCCI Irfan Ahmed Sarwana, speaking on the occasion, urged upon the six-member US team from the Karachi consulate to provide assistance in including textile and leather products in the US's GSP scheme.

He further said that though the US has given GSP access to Pakistan allowing duty free and duty concession access to many products, the scheme does not include Pakistan's core products – textile and leather goods.

Mr Sarwana also sought support from the US delegation in extending the validity of the scheme from December 2017 to December 2020. He said since Pakistani textile and leather goods enter US market after paying between 7-32 per cent customs duty it makes them uncompetitive against imports of other countries.

The FPCCI president expressed concern over the decline in American investment to $71 million in 2016, as against $1.3 billion in 2007.

He stressed that Pakistan offers huge opportunities of investment in energy, infrastructure, metal, mineral, agriculture, power, transportation, automobiles, and telecommunications.

Mr Sarwana reiterated that Pakistan is a front-line ally in the war against terrorism and has suffered losses to the tune of $123.13bn till March 2016.

Source: dawn.com- Sep 14, 2017

HOME

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China: Intertextile Shanghai had exhibitors from 30 countries

The 23rd edition of the Intertextile Shanghai Home Textiles is over, with both exhibitors and buyers satisfied with the business outcomes from the fair's four days. The largest home textiles trading event in Asia attracted 1,106 exhibitors from 30 countries and regions. There were more international buyers this edition - 16 per cent more over last year.

Given the strengthening market conditions in China the fair held during August 23-26, 2017 maintained its popularity, with the number of trade buyers increasing to 38,964 from 99 countries and regions (2016: 37,779 from 98 countries and regions).

“Intertextile Shanghai Home Textiles has once again proven its leading position in Asia as a business and order platform for the industry. There was a noticeable positivity from both exhibitors and buyers this edition regarding the current and future situation of the domestic market, so we are optimistic about the industry for the next year,” Wendy Wen, senior general manager of Messe Frankfurt (HK) said.

Overseas exhibitors found the fair an effective platform to open up the Asian market. As the leading event of its kind in the region, the fair successfully attracts a number of Chinese and Asian buyers every year, ensuring suppliers develop their business further in the region. This year, seven country and region pavilions including Belgium, India, Korea, Morocco, Pakistan, Taiwan and Turkey were formed, with exhibitors from all satisfied that they could meet their target buyers.

While being in the minority at the fair, European brands still managed to catch the attention of visitors due to strong interest in their products from Asia. The Italian upholstery supplier Enzo Degli Angiuoni Spa was satisfied with the number of Asian buyers, particularly Chinese. Stefano Laurenzano, export area manager expressed:

“A lot of visitors that saw us here last year have come back again and are serious about cooperating with us. Here you can get a lot of new contacts and discover the Asian market. We’ve had mainly Chinese buyers, but have had more Asian buyers from South Korea, India, Malaysia and elsewhere to visit us this year. We are seeing more business here in recent years.”

Being a newcomer to the fair, Iceland Duvet ehf felt the potential in China. “We’ve had enough buyers including retailers and manufacturers visiting our booth to make our participation worthwhile. The interest from the buyers has been genuine. Being a European brand helps more than at fairs in Europe as we can stand out more here,” Ragnar Ludvik Runarsson, representative, said.

Indian exhibitor, Paramount Textile Mills has been joining the fair for three years. “Apart from meeting our existing customers, we’ve had enquiries from potential new customers from China as well as overseas including the US and South America,” Ram M, director of Marketing and Finance said.

Also with three years' participation, Samir Tazi, general manager of PIF Textile Emotions from Morocco affirmed the show's effectiveness in meeting important buyers and decision makers. "It's easier for us to meet them here compared with some smaller European fairs. Thanks to Intertextile Shanghai, we have also met the major players in China." Talking about this year's result, he continued: "We were very busy. We met with more people than any other fairs. There are a lot of new buyers and also returning buyers checking out our new products."

As the largest pavilion this year, the Turkey Pavilion was in the limelight of the show, with both new and veteran exhibitors finding it useful to exhibit in Intertextile Shanghai. Bezmez Ev Tekstil did not intend to receive any orders in their first show, but was surprised to obtain three in just one day. These concrete results reassured their likelihood of coming back next year.

"We definitely see the potential for Turkish products here in China as Chinese companies prefer quality products nowadays," Ayhan Bezmez, representative, commented. Fahri Goksin, vice president of Gokhan Tekstil agreed with Bezmez that Chinese buyers are in favour of new things like imported goods and Western brands. His company has been in the Shanghai fair for six years and continued to get satisfactory results. "We're looking for retailers, wholesalers and online buyers. We've had all of these visiting our booth already."

Recently, there are strong signs suggesting that the home textiles market in China is recovering with both imports and exports rising gradually. The positive outcome that Chinese exhibitors achieved at the August's fair has resonated with the market condition. A number of domestic booths were packed with visitors all the days.

For SohoCUT Intertextile Shanghai is the place for actual business. "Compared with other fairs we've been to, this is the exhibition where a huge number of international buyers gather. We met buyers from China, Mexico, Russia, the US, India and Southeast Asia. We even got large orders for the first two days," Wheatley Weng, managing director said.

Given the prevailing smart home concept in China, Somfy China which specialised in advanced sun-protection system became one of the highlights at the fair. Nancy Nan, chief executive officer mentioned:

"The visitor flow has been really high that our booth is swarmed by buyers. Amongst those visitors, there is no lack of medium to high-end customers who placed orders immediately."

With the demand for digital printing solutions growing, the Digital Printing Zone expanded in size this edition, incorporating a seminar area and more exhibitors. As an Italian company, MS Printing Solutions Srl experienced the potential of the sector in China.

"The fair has been busy, and we've had steady flow of buyers coming through. The potential in digital printing here is just beginning. The Chinese government is pushing companies to reduce their pollution, so it has a big advantage in this regard over traditional textile printing," Walter Oggioni, regional sales manager stated, adding that the company has been growing very fast globally, especially in China, Turkey, India and Pakistan.

This potential holds for domestic machine manufacturers as well. Specialising in the production of digital printing machines, Guangzhou Xu Cheng Electronic Technology was at the fair to meet fabrics suppliers. Jesse Luo, overseas manager explained: "Compared with exhibitions for textile machinery, Intertextile Shanghai attracts more fabrics suppliers, which are our target clients. It helps even more as we are located in this special zone. We've been talking to a lot customers, including overseas buyers who are also interested in our machines."

A series of seminars provided opportunities for the industry to share their insights on this emerging sector. As a speaker, Foshan Sanshui Yingjie Precision Machinery believed the session was mutually beneficial for them and the audience. "Attendees are from the whole sector including manufacturers and end users, so we can discuss different perspectives. It will facilitate our improvement," Peng Jichang, general manager said.

Intertextile Shanghai is the largest trading platform in Asia with the whole spectrum of home textiles and accessories on offer. Hence, visitors, be they Chinese or overseas, can access a wide range of quality suppliers that meet their sourcing needs. Australian buyer, Glenn Whitchurch from Trabeth Textiles, was impressed with his sourcing journey. "The polyester quality of domestic exhibitors has been unbelievable. What's more, we've found the Chinese suppliers to be very flexible in meeting our needs, they're clearly keen to accommodate overseas buyers."

One ongoing trend at the fair over recent years is the increasing quality of domestic suppliers, which attracts buyers to come back and source. Chinese buyers agreed that Intertextile Shanghai is the most effective sourcing platform in Asia. "Overseas suppliers like Turkey exhibitors are our main interest. So far, we have connected with four to five exhibitors in hall 4 and will place orders with them soon. In terms of exhibitor number and the product range, I feel that the fair has improved a lot. It is my favourite show with a lot of overseas products to discover," Huang Shenghua, general manager of Ziranfeng Home Textile said.

Apart from facilitating business between exhibitors and visitors, the fair also incorporated various design elements via a series of concurrent events. These included display area like Trend Area, International Fibre Art Exhibition and Home Furnishing Crossover Exhibition where participants could find innovative designs and ideas.

This was also the first time the Andrew Martin International Interior Design Summit and the fair took place concurrently. Experts from the interior design, architecture and art sectors were invited to share and discuss their views on the transformation of design in the new information era.

Source: fibre2fashion.com- Sep 14, 2017

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South Africa: Over 320,000 tons of CmiA cotton harvested in 2016

More than 320,000 tons of Cotton made in Africa (CmiA) certified cotton were harvested in 2016 and processed further by textile producers in Asia, Europe and Africa. An increase has been observed in the number of fashion brands and textile retailers purchasing cotton from CmiA, the largest label for sustainable cotton from Africa, for their textiles.

Nearly 30 companies and brands use CmiA cotton for their textiles. The top customers of 2016 include the Otto Group, with bonprix as the biggest buyer within the company group, Tchibo and the Rewe Group with its sales channels Rewe, Penny and Toom Baumarkt.

Additionally, Engelbert Strauss, Ernsting's family, Asos, Aldi Süd and Bestseller rank among the biggest buyers that support the initiative through their demand for CmiA cotton. Smaller fashion labels such as Hiitu from Germany, Cooekid from Great Britain, Weaverbirds from Denmark or Abaana from Uganda are also contributing significantly by purchasing CmiA cotton. They offer an exclusive selection of products made from Cotton made in Africa cotton, ranging from children's clothing to high fashion textiles.

"In view of the many heterogeneous buyers of Cotton made in Africa cotton, it is clear that sustainable cotton from Africa can be used for a number of different product groups," Christian Barthel, director supply chain management said. "Sustainable cotton can be used for a very wide basis in the textile industry.

Our partners successfully show that Cotton made in Africa cotton can lay a sustainable foundation for many branches."

CmiA cotton is grown by more than 780,000 smallholder farmers in 10 countries of sub-Saharan Africa and in accordance with the ecological and socio-economic criteria of the CmiA standard.

More than 100 partners in the textile value chain are working with CmiA across the globe, to implement the principle of helping people to help themselves through trade.

Source: fibre2fashion.com- Sep 14, 2017

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H&M develops new recycling method for textile blends

Together with The Hong Kong Research Institute of Textiles and Apparel (HKRITA), the H&M Foundation has developed a new method for recycling blend textiles into new fabrics, thus paving the way for a more circular economy.

Using only heat, less than 5 percent biodegradable green chemical and water, the new innovative solution is using a hydrothermal (chemical) fiber-to-fiber recycling process to self-separate cottons and polyester.

The resulting polyester is usable without any quality loss, thus giving fibers a second life and saving apparel companies huge costs. H&M as well as HKRITA plan to make the new technology available to the global fashion industry so that a closed loop for textiles can be targeted worldwide.

“For too long, the fashion industry has not been able to properly recycle its products, since there’s no commercially viable separation, sorting and recycling technology available for the most popular materials such as cotton and polyester blends,” said Eric Bang, innovation lead at the H&M Foundation (pictured, right). “We are very excited to develop this technology and scale it beyond the laboratory, which will benefit the global environment, people and communities.”

In 2016, the H&M Foundation and HKRITA established the Closed-Loop Apparel Recycling Eco-System Program with the aim to find at least one technology to recycle apparel made from textile blends. The project is slated to run until 2020 and, helped by Ehime University and Shinshu University in Japan, is already making headway with the new hydrothermal process.

“By being able to upcycle used textiles into new high value textiles, we no longer need to solely rely on virgin materials to dress a growing world population. This is a major breakthrough in the pursuit of a fashion industry operating within the planetary boundaries,” said HKRITA CEO Edwin Keh (pictured, left).

Total project investment of the to-date largest textile recycling project is estimated at 36 million US dollars, of which the H&M Foundation has already contributed 2.9 million US dollars, overall targeting a contribution of 6.89 million US dollars. Seven million US dollars have been raised in research funding, for example by The Hong Kong SAR Government’s Innovation and Technology Fund.

Source: fashionunited.in- Sep 14, 2017

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Plants can grow their own glow-in-the-dark cotton, no genetic engineering required

You may have heard about smartphones and smart homes. But scientists are also designing smart clothes, textiles that can harvest energy, light up, detect pollution, and even communicate with the internet. The problem? Even when they work, these often chemically treated fabrics wear out rapidly over time. Now, researchers have figured out a way to “grow” some of these functions directly into cotton fibers. If the work holds, it could lead to stronger, lighter, and brighter textiles that don’t wear out.

Yet, as the new paper went to press today in Science, editors at the journal were made aware of mistakes in a figure in the supplemental material that prompted them to issue an Editorial Expression of Concern, at least until they receive clarification from the authors. Filipe Natalio, lead author and chemist at the Weizmann Institute of Science in Rehovot, Israel, says the mistakes were errors in the names of pigments used in control experiments, which he is working with the editors to fix.

That hasn’t dampened enthusiasm for the work. “I like this paper a lot,” says Michael Strano, a chemical engineer at the Massachusetts Institute of Technology in Cambridge. The study, he says, lays out a new way to add new functions into plants without changing their genes through genetic engineering. Those approaches face steep regulatory hurdles for widespread use. “Assuming the methods claimed are correct, that’s a big advantage,” Strano says.

The new approach to modifying cotton is straightforward. Natalio and his colleagues in Israel and Germany simply link molecules with desired functions, such as fluorescent or magnetic compounds, to sugar molecules that cotton plants absorb through their vasculature and use to build their cells.

The researchers started with hydroponically grown cotton plants that grow in a lab rather than a field. They harvested the plants’ ovules, the portion that, once fertilized, produces the fruit, in this case the cotton fibers. They cultured these ovules separately, allowing them to bypass the plant’s normal approach to using photosynthesis to make sugars that it needs to grow.

Then they fed the plants water spiked with glucose molecules linked to other functional molecules, which were absorbed by the ovule's nutrient-transporting vessels and passed to the fiber-forming cells where they were used to build the plant's cotton fibers.

In one example, the researchers linked fluorescent molecules to the sugars. After 20 days of growth, about 5% of the fluorescent material made it into the fibers, which appear yellow under normal light but glow a brilliant green when exposed to ultraviolet light, the researchers report today in Science.

There's no indication how long those fluorescent fibers will last. But Natalio notes that because the fluorescent compounds are chemically tethered to the sugars in the fibers, they cannot wash away.

The researchers also linked magnetic compounds to sugars and showed that they, too, were incorporated in the cotton fibers. In the future, this could enable clothingmakers to build data storage capabilities right into our garments.

But Natalio cautions that for this and other future applications to succeed, researchers may need to find ways to increase the amount of functional molecules absorbed by the plants.

He adds that because many plants and other organisms can be grown in culture, it may be possible to extend this approach to modifying everything from bacteria to bamboo. That could not just produce brighter attire, but also allow researchers to add new functions to a wide range of materials.

Source: sciencemag.org- Sep 14, 2017

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Egypt to attract Chinese investment in textiles, cars

The textile and automobile sectors in Egypt will attract Chinese investment to exploit the former's cheap labour, Egyptian minister of trade and industry Tarek Qabil has said. Qabil said this after meeting São Gishang, president of the China Chamber of Commerce for Import and Export of Textiles, during his visit to China recently to discuss cooperation.

Chinese company Shandong Rui recently announced its plan to invest $800 million to construct a readymade garments factory in Egypt, an Egyptian newspaper reported.

Chinese firms are at present looking for manufacturing cars inside Egypt to overcome high customs duties, which is 40 per cent for imported cars from China, compared to low duties on cars from the European Union, Turkey and Morocco, Qabil told the newspaper.

Former chairman of Supreme Textile Council Mohammed Qasem said that higher minimum wages of Chinese workers will encourage Chinese textile companies to invest in Egypt.

Egypt is an optimal choice for China to set up a hub for manufacturing cars and export them to other African nations, Qabil added, as the industry ministry offers huge incentives to attract investments for car manufacturing.

A joint committee was set up in 2016 by the Egyptian Government to improve production capabilities between the two countries and set a plan for constructing 12 projects in electricity, transport, housing, industry and telecommunications.

Source: fibre2fashion.com- Sep 15, 2017

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Vietnam's garments exports up nine per cent in 2017

In the first eight months of 2017, Vietnam's textile and garment exports grew 9.9 per cent year on year. The US remained Vietnam's leading market, accounting for 51 per cent of the market share.

However, Vietnam imports 60 per cent of its fiber as cotton farms in Vietnam have shrunk significantly and meet only 0.04 per cent of the domestic textile sector's demand.

The country is one of the world's leading importers of fabrics and materials. The shortage of high-quality materials for production is the biggest barrier to Vietnam's textile and garment industry, hindering the country from taking advantage of free trade agreements.

Vietnam's textile and apparel sector has set a target of seven per cent growth over 2016. Currently, Vietnamese garment and textile products are available in 40 countries and territories around the world, with major markets including the United States, Japan, the Republic of Korea, China and the EU. Vietnam is one of the five largest textile and garment exporters in the world.

Vietnam's Ho Chi Minh City will build large centers for designing fashion, trading garments, textile material and accessories to become the country's future garment, textile material and accessory hub. Ho Chi Minh City has set targets of meeting 80 to 90 per cent of Vietnam's demand for garments and textiles by 2020.

Source: fashionatingworld.com- Sep 14, 2017

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Cambodia looks beyond EU, US for garments exports

Cambodia's exports of garments and footwear rose 7.2 per cent in 2016. The US market accounts for a quarter of the Cambodia's exports however this share dropped from 29 per cent in 2015 to 25 per cent in 2016. Now there is an emerging sign of strong growth of the garments exports to markets outside the EU and US. Exports to other markets rose 35 per cent in 2016, up from 28 per cent in 2015, and from just 11 per cent ten years ago.

Japan and Canada have grown as important export destinations for Cambodia. Exports to Japan accounted for nine per cent of total garment and footwear exports in 2016, up from 7.7 per cent in 2015 and just 2.7 per cent in 2010, while exports to Canada were nearly eight per cent of market share, up from 7.5 per cent in 2015 and just 0.5 per cent in 2010.

At the same time, exports to China have also been well. The Chinese market accounted for 2.3 per cent of Cambodia's garment and footwear exports in 2016, up from 1.8 per cent in 2015. Cambodia has free trade agreements with various countries, particularly under the Asean frameworks.

Source: fashionatingworld.com- Sep 14, 2017

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Is athleisure trend nearing its end? Opinion divided…

Retail analysts closely following the US apparel trends feel the athleisure trend is going to end soon. The insight came as Dick's Sporting Goods reported its same-store sales performance up by a weak 0.1 per cent in the second quarter. John Zolidis, President of Quo Vadis Capital, pointed out skidding athleisure sales contributed to lackluster revenues at Big Five Sporting Goods, Hibbett Sports, Lululemon, Under Armour and Nike.

Some of these stores should be benefiting from the Sports Authority closing 450 stores across the nation last year after the large sporting-goods chain filed for bankruptcy. Southern California–based Sport Chalet also filed for bankruptcy last year, shuttering 47 stores.

As per The NPD Group, activewear sales for men, women and children added up to $45 billion for the 12 months ending in June, which is not even a marginal growth in the business. In comparison, non-activewear totaled $170 billion in sales for the 12 months ending in June, down slightly from a year ago.

Athleisure is still growing but slowing. Part of the slowdown is the nature of the product, feels Marshal Cohen, Retail Analyst, The NPD Group. Cohen says, athleisure has entered that area where everyone is getting into the game and prices are coming down rapidly. Target is putting together a good sports bra for $19 and an athletic bottom for $39 compared to other brands that sell a bra for $79 and a bottom for $120. Then there is the fashion part of it, which doesn't change much. Leggings are leggings with only a few things such as prints changing seasonally.

Counter views

Offering another perspective, Roseanne Morrison, Fashion Director, The Doneger Group, a trend forecasting and retail advisory company in New York, points out people are still working out. Girls are extremely competitive about what they are wearing, and they want to keep up with the trend, look their best and see what other people are wearing. This lifestyle trend to be fit and well is a shift in our culture.

Deborah Weinswig, a global retail analyst and MD, Fung Global, also feels the same way and believes it has enough energy to keep jogging. However, it does appear to be entering a new phase. Consumers still want to incorporate sport-styled designs into their everyday wardrobe. Athleisure for men is one area that continues to gain momentum. That was seen at athleisure retailer Lululemon Athleta, which now sees menswear making up 20 per cent of its total revenues.

Manik Aryapadi, Principal-retail practice, AT Kearney, is of the view athleisure has grown at a double-digit pace over the last three years but is hitting some headwinds. Retailers fear Amazon will be stepping into the arena with their own private athleisure label, adding to the fact that the field is already crowded as more companies enter the category. There are possibilities that Amazon could partner with a big athleisure brand, much like it did with Nike. By 2021, Amazon is expected to account for 16.2 per cent of apparel sales, or $62 billion, followed by TJ Maxx and Macy's.

Innovation still driving athleisure

Innovation is going to draw the game here in a big way. Outdoor Voices, a relatively young athleisure retailer started in 2013, is attempting to bring in innovation in this space.

Recently it collaborated with French cult retailer APC to develop a limited collection that had well-fitting and long-lasting pieces that could be worn every day.

Currently, Outdoor Voices has three stores and three pop-ups, with one at The Grove in Los Angeles, but it is planning to expand its store footprint this year and next, giving athleisure a new look and a new voice.

Source: fashionatingworld.com- Sep 14, 2017

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NATIONAL NEWS

India, China unlikely to be 'growth poles' for global economy: UNCTAD report

Effects of demonetisation and rollout of the Goods & Services Tax regime on the informal sector and reduction in pace of credit creation may affect India's growth prospects and the country unlikely to serve as the "growth pole" for the global economy in the near future, a United Nations report has said.

"Growth in the world's two most populous economies – China and India – remains relatively buoyant, but the pace is slower than before the crisis and face some serious downside risks," according to the UNCTAD's Trade & Development report 2017 released on Thursday.

The report titled 'Beyond austerity — towards a global new deal', further pointed out that it was absence of a robust recovery in developed countries and renewed volatility of global capital flows that have constrained economic growth in developing countries.

It noted that the world economy in 2017 was picking up but not lifting off. "Growth is expected to reach 2.6 per cent, slightly higher than in 2016 but well below the pre-financial crisis average of 3.2 per cent," it said.

A combination of too much debt and too little demand at the global level has hampered sustained expansion of the world economy, the reported stated. Giving a prescription for makeover of the world economy, the report made a case for ending austerity, clamping down on corporate rent seeking and harnessing finance to support job creation and infrastructure investment.

India's growth performance depends to a large extent on reforms to its banking sector, which is burdened with large volumes of stressed and non-performing assets, and there are already signs of a reduction in the pace of credit creation, the report said.

"Since debt-financed private investment and consumption have been important drivers of growth in India, the easing of the credit boom is likely to slow GDP growth," it said.

In addition, the informal sector, which still accounts for at least one third of the country's GDP and more than four fifths of employment, was badly affected by the government's "demonetisation" move in November 2016, and it may be further affected by the rollout of the GST from July 2017, the report added.

"Thus, even if the current levels of growth in both China and India are sustained, it is unlikely that these countries will serve as growth poles for the global economy in the near future," it concluded.

Source: thehindubusinessline.com- Sept 14, 2017

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No clarity on duty drawback rate, Rebate of State Levies

The second half of September could be a crucial period for the textile industry as the government is yet to give a mandate to the duty drawback committee on the revised duty drawback rate and Rebate of State Levies (ROSL) on export of garments and made-up textile articles.

The government had extended this benefit up to the end of this month. "As only a fortnight is left, uncertainty persists in the rates of benefits and export bookings are getting delayed. We are unable to book orders due to lack of clarity on the duty drawback rate, and this could impact India's textile exports," said P Nataraj, Chairman, the Southern India Mills Association (SIMA).

Export benefits

He has appealed to expedite clearing of all pending export benefits as it is causing severe financial stress to the exporters.

"We hail the government's intervention — be it demonetisation or GST — but the fact remains that the businesses have been affected the past two-three months. The industry has just started to overcome the difficulties. Supply of fabric and yarn is tending to look up as festive season is round the corner. At such a time, if the issues are taken up on a war-footing, it would lead to more misery, troubles," he said.

Highlighting some of the major problems and ill-effects due to certain GST anomalies, Nataraj voiced concern over the undue delay in getting clarifications including use of C forms for inter-state purchase of HSD oil under 2 per cent CST (as petroleum products have been kept out of GST), and issues relating to canteen and transport services provided by the manufacturing units to their employees through contractors or at concessional rate. "The local tax authorities only forward the issues to the GST Council for clarification instead of providing instant service then and there."

The association has appealed for refund of the accumulated input tax credit at the fabric stage (as fabric has been singled out, cannot take Input Tax Credit) to avoid cost escalation.

The decentralised weaving sector believed that the fabric would be exempt from GST and suspended the purchases. The powerloom sector and the independent weaving units that produce over 95 per cent of the woven fabric is burdened with 18 per cent GST on yarn, while the vertically integrated units have no such problem as they need to pay 18 per cent GST for fibres and 5 per cent GST on fabrics. (The cost difference works out to 5 to 7 per cent).

The SIMA chief has appealed to the GST Council to sort out the anomalies of refunding the accumulated Input Tax Credit at any stage of the manufacturing process, especially processed fabrics and reduce the GST on MMF spun yarn (including filament sewing threads) from 18 per cent to 12 per cent.

Source: thehindubusinessline.com- Sept 13, 2017

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Technical textile market to grow at 12 per cent CAGR

The country's technical textile market has huge growth potential and it is expected to grow at 12 per cent per annum to reach $23 billion (Rs 1,50,000 crore) in 2020, a senior government official said here.

"Technical textile offers immense potential and has been termed as a sunrise industry in India. With sufficient investments into the technology, the industry would grow exponentially.

"The industry is expected to to grow at 12 per cent per annum to reach $23 billion (Rs 1,50,000 crore) from the present $18.16 billion (Rs 1,16,000 crore). India comprises 4 per cent of the global technical textiles exports," Textile Commissioner Kavita Gupta told reporters on the sidelines of 7th edition of 3-day Techtextil India 2017 here.

India's textiles sector is also one of the largest contributing sectors of India's exports contributing 14 per cent to the country's total exports basket. The country's textiles market stands at USD 150 billion and it is expected to touch USD 250 billion by 2020, the commissioner said.

The textile industry employs about 51 million people directly and 68 million people indirectly as India has overtaken Italy and Germany to emerge as the world's second largest textile exporter, Gupta said.

Technical textile is a future as it exists in every aspect of our life but this needs better productivity, better technology and better durability. In India, technical textiles is expected to attract lot of investment opportunities. The government is also offering 15 per cent subsidy for domestic players, who want to set up machinery. In the last five years period the growth has been 12.4 per cent CAGR, Gupta said.

Demand for technical textiles is expected to stay steady during the period 2017—2020, due to a broadening application in end—use industries, such as automotive, construction, healthcare, and sports equipment and so on. To foster research & development in the sector the government has also set up eight Center for Excellence units, she said.

Telangana government has put in ample efforts to utilise their resources and unleash the potential in the textiles sector.

On announcing a close cooperation with Messe Frankfurt, Mihir Parekh, Department of Handlooms & Textiles, Government of Telangana said, “The Telangana state is developing Kakatiya Integrated Mega Textile Park in Warangal over an area of 1,200 acres with full complement of high quality trunk infrastructure.

“Through this partnership with Techtextil India and Messe Frankfurt India, we want to reach out to this niche sector and invite them to explore the immense growth opportunities that Telangana has to offer. We look forward to interacting with leading brands and partnering with them to create a roadmap for technical textiles in Telangana.”

The Techtextil India symposium, the premier forum for the technical textiles industry hosted over 175 companies from India, Austria, Belarus, China, France, Germany, Italy, Korea, Spain, Belgium and Switzerland have exhibited their brands, garment machinery, latest innovations and product launches.

Source: thehindubusinessline.com- Sept 14, 2017

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Cotton importers eye Kochi port for storage and re-export

The South India Mills Association and Indian Cotton Federation are looking at options to facilitate the import and re-export of containerised cotton through Kochi port.

Kochi’s proximity to spinning mills in Coimbatore, which is less than 200 km away, prompted them to seek a storage facility in the port for the transhipment of containers to facilitate local sales and cotton imports.

Moreover, the reduced transit time to Kochi, especially from West and East African ports and the US, would make the port an attractive destination, said G Radhakrishna, President, Coimbatore Cotton Association.

“We opened a similar facility in Tuticorin a month back,” he told BusinessLine.

According to him, a lot of imports are being made to South India every year, and a majority of the consignments are handled at Tuticorin port. However, Kochi has a cost advantage to millers in Coimbatore, and the closing down of Walayar check post after GST has resulted in the faster movement of cotton to production units.

Cotton imports

Last year, mills in the South consumed around 2-lakh tonnes of cotton imported from the major cotton-growing areas in West and East Africa, US and Australia. India's cotton season normally starts in September and continues till June.

The country exports a lot of cotton, which is a major revenue earner for growers in North India.

However, millers in South India have to depend on imports in the second-half of the year to meet their production requirements, he said.

Confirming the development, A V Ramana, Deputy Chairman of Cochin Port Trust, said that the port is in talks with Cochin Customs to come out with a notification to set up a dedicated facility to make Kochi a trading hub of cotton.

"Once the notification is out we will start an aggressive marketing campaign among the millers, especially those in Madurai, Dindigul and Coimbatore," said Ramana.

"The Vallarpadam terminal offers facilities that match international standards for import, warehousing and re-export at a comparable cost," he added.

Source: thehindubusinessline.com - Sep 14, 2017

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Govt. committee to review exporters' '$10 bn.-problem'

A government panel headed by the Revenue Secretary will meet on September 19 to resolve a '$10 billion-problem' troubling India's exporters and its potential adverse impact on jobs.

Official sources told *The Hindu* that the Revenue Secretary-led 'Committee on Exports' — set up on September 12 to address exporters' concerns over the Goods and Services Tax (GST) regime — would, among other things, take up the issue of "inordinate delay in refund of GST to exporters" and the consequent blockage of working capital that is severely affecting exporters' liquidity and enhancing their tax burden.

Tax credit refund

According to Ajay Sahai, director general and CEO, Federation of Indian Export Organisations (FIEO), "Exporters were expecting that the Integrated GST (IGST) refund or refund of input tax credit (ITC) would be available to them in August, 2017 for the exports made during July." He added, "However, since the filing of (GST returns) GSTR-1,2 and 3 for July has been extended till October 10, October 31 and November 10, respectively, exporters will not be able to get the refund by November."

Mr. Sahai said since exporters would have to wait till around December (considering 15 days for issuance of acknowledgement and another seven days for getting provisional refund of 90% of the total refund claim) for availing refund of the GST on exports, it would mean that they would have to arrange funds from their own sources to pay GST for the July-October period. The blocked amount for the four months time is estimated to be about $10 billion, Mr. Sahai pointed out, adding that the situation could lead to huge job losses.

(The calculation is as follows: India's goods and services exports are worth $450 billion. Of this, exports from SEZs worth $75 billion can be excluded as they are exempted from IGST/ITC. The remaining are $375 billion-worth annual exports, meaning exports for four months are $125 billion. An average GST rate at 10% on this would be $12.5 billion. After deducting $2.5 billion — owing to no GST claim on those exports claiming higher duty drawback — the blocked amount is estimated to be $10 billion).

In a representation submitted to the government, FIEO, which is the apex body for exporters in India, suggested that IGST and ITC refund should be given on the basis of the GSTR-3B and GSTR-1 filed by the exporter. “The government should trust the trade and wherever necessary an undertaking maybe obtained for the exporter for recovery of excess/ undue refund, if any,” FIEO said in a representation.

The other issue that will be considered by the committee is the demand that exporters be given an outright exemption from GST, or the creation of e-wallet as an alternative. The FIEO has also recommended that Merchandise Exports from India Scheme (MEIS) / Service Exports from India Scheme (SEIS) Duty Credit Scrips should be allowed for the payment of IGST and at least of Central GST. Utilisation of the Scrips may also be considered for payment of Bank interest, it added.

Source: thehindu.com - Sep 14, 2017

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Resolve GST issues to foster growth: New SIMA chief

While textile market demand is regaining momentum, issues related to the Goods and Services Tax (GST) should be resolved to foster growth, newly elected chairman of the Southern India Mills’ Association (SIMA) P Nataraj has said. There were few major problems and ill-effects due to certain GST anomalies that need to be addressed on a war footing, he added.

Resolving GST anomalies would bring bring all the stakeholders of the textile industry under GST net and enable the Indian textiles and clothing products remain globally competitive, Nataraj, who is also the managing director of KPR Group, said at the press conference organised by SIMA in Coimbatore.

“The Indian textiles and clothing industry had been passing through continuous recession during the last three years mainly due to poor off-take in the global market, the FTA/PTA competitive advantage gained by the competing nations like Vietnam, Bangladesh, high tariff rates imposed on Indian textiles and clothing products in the major textile makers such as EU, US, Canada, China, etc,” Nataraj said. So, Indian textiles and clothing exports had stagnated at around $40 billion during the last three years, he added.

In view of this stagnation in exports, SIMA chief appealed to the Centre to refund the accumulated input tax credit at fabric stage that had been singled out to avoid cost escalation, encourage Make in India, reduce import of fabrics, avoid job losses especially in the highly vulnerable sectors like powerloom, handloom, processing, etc.

He mentioned that for processed cotton fabrics, the accumulation of input tax credit would range between 3 to 5 per cent of the sale value. Dyes and chemicals account over 30 per cent of the processing charge that attract 18 per cent GST while the fabric or job work is levied with 5 per cent GST, he pointed out.

“Yet another genuine demand of the synthetic sector is the reduction of GST rate on MMF spun yarn including sewing thread filament yarns from 18 per cent to 12 per cent. The powerloom sector and independent weaving units that produce over 95 per cent of the woven fabric is burdened with 18 per cent GST on yarn while the vertically integrated units do not have such a problem as they need to pay 18 per cent GST for fibres and only 5 per cent GST on fabrics and the cost difference works out to 5 to 7 percent,” said Nataraj. He appealed to the GST Council to sort out both the anomalies of refunding the accumulated ITC at any stage of manufacturing, especially processed fabrics, and also reduce the GST on MMF spun yarn including filament sewing threads from 18 per cent to 12 per cent.

SIMA chairman stated the government had not yet given the mandate to the Duty Drawback Committee to recommend the revised duty drawback rates and ROSL. The current extension of benefits ends on September 30, 2017. Beyond this date, there is uncertainty in the rates of benefits, resulting in a delay in export booking, Nataraj said.

He appealed to the Centre to extend all the export benefits till the business revives and revise the rates to ensure the pre-GST export competitiveness of the industry is sustained. He also appealed the Centre to expedite clearing of all the pending export benefits that cause severe financial stress to the exporters.

He stated that there were several teething problems in the GSTN causing hardships for filing the returns and day to day operations. “There is undue delay in getting several clarifications including the use of C forms for inter-state purchase of HSD oil under 2 per cent CST that has been kept out of GST, issues relating to canteen and transport services provided by the manufacturing units to their employees through contractors or at concessional rate, etc.”

He suggested that the local tax authorities should be facilitated to clarify the industry then and there and also to overcome the teething problems. “Now, they are only forwarding the issues and clarification to the concerned GST Council Committees and not able to provide instant services.”

Speaking about global cotton position in 2017-18, he termed it as “very comfortable”, due to around 11 per cent increase in area under cotton cultivation. He stated that the cotton price would also be comparatively lower throughout the cotton season and therefore, the domestic demand would pick up. “India would have competitive advantage in the international market also with stable and lower cotton price,” he added.

Source: fibre2fashion.com - Sep 14, 2017

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Top cotton buyers flock to India as hurricanes hit US crop

The world's top cotton buyers, all in Asia, are flocking to India to secure supplies after fierce storms in the United States, the biggest exporter of the fibre, affected the size and quality of the crop, dealers said.

In the past week alone, India, the world's second-biggest cotton exporter, sealed deals to sell about a million bales to China, Taiwan, Vietnam, Pakistan, Bangladesh and Indonesia - key garment suppliers to brands such as H&M, Inditex-owned Zara and Wal-Mart Stores Inc.

That compared with 300,000 bales in the two weeks before.

Dealers expect contracts similar to last week in the next few months, which could help India's exports grow by a quarter in the 2017/18 season beginning October.

"Indian cotton has great chances this year," said Chirag Patel, chief executive at Jaydeep Cotton Fibers Pvt Ltd, a leading exporter. Asian "buyers are switching to Indian cotton from the U.S."

Hurricanes Harvey and Irma caused widespread damage to the crop in Texas and Georgia, major cotton producing states, with the effects more widespread in Texas, dealers said.

"We definitely lost cotton in Texas. It wiped out 500,000-600,000 bales," said Peter Egli, risk manager at Plexus Cotton Ltd, a Chicago-based merchant, referring to the impact of Harvey in the top-producing U.S. state.

In 2016, the United States exported 86 percent of its cotton, 69 percent of which went to Asia, according to the U.S. Department of Agriculture.

Other cotton producers like Brazil and Australia could benefit from lower supplies from the United States, but may find it difficult to match the price offered by India, where a bumper harvest is likely to keep the rates lower.

Traders in India, also the world's biggest cotton producer, signed their export deals at around 80 cents per lb on a cost and freight basis, nearly 2 cents lower than the supplies from the United States, dealers said.

India could soon sell at lower prices.

Farmers are likely to harvest a record 40 million bales of cotton in the 2017/18 season beginning Oct. 1, 2017, bringing domestic prices down and making exports even more competitive, Patel said.

For the new 2017/18 season, farmers have planted 12.1 million hectares with cotton, up 19 percent from a year earlier, farm ministry data showed. India harvested 34.5 million bales of cotton in the 2016/17 season.

Favourable crop conditions would help India sell 7.5 million bales of cotton on the world market in 2017/18 against 6 million bales in the previous year, said Nayan Mirani, partner at Khimji Visram & Sons, a leading cotton exporter.

Some traders believe that India's exports could surpass 8 million bales if China, the world's biggest cotton consumer, steps up imports in 2017/18.

Beijing, which began selling cotton from its reserves on March 6, had planned to stop the daily auctions at the end of August. But it extended the sales for an additional month after local prices rose amid tighter supply, indicating the need to replenish falling inventories.

A Mumbai-based dealer with a global trading firm company said he had received a flurry of orders in the past few weeks, especially for December quarter shipments. He declined to be identified because he was not authorised to talk to media.

Hobbled by the rising rupee and unattractive global prices, India was struggling to sign export deals until a few weeks ago. But a recent rally in global prices made overseas more sales competitive.

Other than attractive prices, close proximity encouraged most Asian buyers to turn to India. While cargoes from the United States take about 50 days to reach Vietnam, Bangladesh and Pakistan, India can ship its cotton in two weeks.

India's new season crop will be available to buyers from October, but the supplies from the United States will reach consumers only in January, said Mirani of Khimji Visram, a top exporter.

Current market trends give cotton buyers a chance to look at alternative supplies, said Vu Duc Giang, chairman of Vietnam Textile and Apparel Association.

But forecasts of higher global output will ease concerns over cotton supplies, Giang said.

The U.S. Department of Agriculture this week said U.S. cotton output is seen at 21.76 million bales for 2017/18 compared with 20.55 million bales projected last month.

Source: economictimes.com- Sep 14, 2017

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India's manufacturing sector needs 14-15% annual growth

India's manufacturing needs to steadily grow at 14–15 per cent every year over the next three decades for the country to maintain a sustained annual GDP growth of 9-10 per cent, observed a recent study jointly conducted by The Associated Chambers of Commerce and Industry of India (ASSOCHAM) and global professional services organisation EY.

States, based on their own manufacturing goals, must individually look into bureaucratic hurdles and other obstructive regulations and policies on priority, the study titled 'Sustaining India's growth by accelerating manufacturing' said.

States can grow by focussing on industries in which they have a competitive edge in raw material availability, demand, user industries, logistics and availability of skilled manpower, besides geographical location, an ASSOCHAM news release said quoting the report. States may set up new industries or create ancillary facilities and infrastructure.

"Robust domestic demand, improved FDI (foreign direct investment), increase in exports, higher infrastructure spending and capital formation, supportive fiscal and monetary policies suggest India's manufacturing sector is headed for a robust growth," said the report.

The government's 'Make in India' initiative will help elevate the country's manufacturing sector as it aims to increase the share of manufacturing in the GDP to 25 per cent from the current 16 per cent and to create 100 million new jobs by 2022, the report added.

Source: fibre2fashion.com- Sep 14, 2017

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59 more cotton procurement centres set up in Telangana

With cotton being sowed in 1.86 million hectares of land for the first time in the history of Telangana, the Cotton Corp. of India has set up 59 additional centres (84 already existing) across the state this year. Anticipating a huge amount of produce coming in from October, the agricultural marketing department is ensuring that there is no disruption in the state-run market yards this year.

According to data from the agricultural marketing department, an estimated cotton produce of 2.81 million metric tonnes is expected to reach market yards in Telangana in 2017-18, from 1.86 million hectares of land sowed. In 2016-17, the area sowed was 1.24 million hectares, which yielded 2.47 million metric tonnes of produce.

A senior official from the department said that given the 50% increase in sowing, the state government had proposed to the Cotton Corp. of India to set up 143 centres this year, instead of the earlier 92 based on the previous year's produce. "The centres usually run for just two or three days a week. They have been asked to be open on all working days now," he added.

Although cotton enjoys a minimum support price (MSP), officials are still wary that excess production might cause some unrest among farmers in case they do not get the price they are expecting. Earlier in May, chilli farmers ransacked the agricultural market yard in Khammam district as excess production caused a price crash.

The violence at Khammam was a result of chilli production touching nearly 700,000 tonnes in 2016-17, compared to the 615,100 tonnes in 2015-16.

The price per quintal (100kg) of produce dipped to Rs3,000 to 5,000, in comparison to Rs10,000 to 12,000 in 2015, due to over-production.

The official informed that the MSP for cotton this year is Rs4,320 per quintal, and was Rs4,160 last year.

"Farmers have gone for cotton expecting higher returns, like in the case of chilli," he said, and added that the government may also take a decision to depute revenue department officials at the procurement centres in view of the higher production.

That the development is being taken seriously can be gauged from the fact that the state government held a meeting, comprising some cabinet ministers as well on Wednesday to review the arrangements.

G. Lakshmi Bai, director, agricultural marketing department, said that the state government is taking every step to maintain transparency in MSP operations and also to mitigate problems if they are identified.

According to data from the department, the highest sowing of cotton was recorded in Nalgonda district where it was sown on 2,24,955 lakh hectares of land, followed by Adilabad and Khammam districts where the sown area was recorded at 1,40,119 and 1,08,974 lakh hectares.

Source: livemint.com- Sep 15, 2017

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Mutual benefit

Both India and Japan stand to gain by working together to contain an increasingly stronger and belligerent China

It’s not just mutual admiration that’s drawing the right-leaning nationalist leaders of India and Japan into a tighter embrace. This is a partnership that’s growing in the shadow of the Chinese Dragon. India and Japan have been drawn together inexorably by their common nervousness about their giant neighbour that’s becoming more militarily powerful by the day.

China's defence budget is now reckoned to be $215 billion by Sipri (the Stockholm International Peace Research Institute). That’s way more than India’s $56 billion and Japan’s $48 billion. Japan openly admitted it was hiking its defence budget mid-year as it was worried about North Korea’s nuclear antics and has “strong concerns” about China's “heavy-handed attitude in the East and South China Seas”.

The high point of Japanese Prime Minister Shinzo Abe’s trip to India — he’s the second foreign dignitary after China”s Xi Jinping to head to Ahmedabad and give Delhi a miss — was, of course, laying the foundation stone for the Mumbai-Ahmedabad bullet train.

The hugely costly project to utilise Japan's Shinkansen bullet-train technology has come under fire in India, but Tokyo's sweetened the deal by offering a ₹88,000-crore 50-year loan at a virtual give-away 0.1-per cent interest rate. In fact, in 2016-17, Japan gave loans worth ₹22,000 crore at the same super-cheap rates for seven infrastructure projects.

These include ₹6,800 crore for metro projects in Ahmedabad and Chennai, and ₹4,000 crore for improving roads in the North-East, and also another ₹1,000 crore for upgrading transmission lines in Odisha. Despite the bonhomie, however, trade figures have been lacklustre, sliding from $18 billion in 2012-13 to $13 billion in 2016-17 with India struggling to penetrate the Japanese market as a result of language barriers, high quality and service standards, and other factors.

Improving ties between India and Japan have been high priorities for both Abe and Narendra Modi. Abe's visited India thrice since Modi came to power and Modi has travelled to Japan once. And it's still fresh in India's memory that Japan was the lone country to come out openly in support during the Doklam standoff. During this trip, Abe pleased India with a statement against "terrorist havens ', clearly targeting Pakistan.

India and Japan are also talking about joint military exercises in 2018 in addition to the India-US-Japan Malabar naval exercises. But negotiations to purchase amphibious US-2 planes have dragged on for years with no headway on price. China's reacted to the Abe visit with injured innocence while a columnist in China Daily warned Delhi against becoming a pawn on the US-Japan "chessboard". Also, still at the discussion stage is the Asia-Africa Growth Corridor which is a riposte to China's Belt and Road Initiative. If India and Japan really want to be an effective counterweight to the Chinese, India and Japan would be advised to focus on efforts like this that will ensure they can hold their own against the Middle Kingdom.

Source: thehindubusinessline.com- Sep 15, 2017

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IKEA plans to set up two stores in Chennai

Swedish home furnishing company IKEA has initiated talks with the Tamil Nadu government to set up two stores in Chennai, which would become operational by 2019-20, according to a top official.

"We will be setting up two stores in Chennai and are scouting for land," said Juvencio Maeztu, chief executive officer, IKEA India Pvt. Ltd., the Indian arm of the $30 billion Swedish giant. "We need 8-12 acres of land with clear titles and near metro station."

IKEA would be investing ₹2,000 crore in the two stores and provide employment to 4,000 people.

"This would be the fourth location in the country after Hyderabad, Mumbai and Bengaluru. If all goes well, it would take 12 months for construction and six months for getting various approvals. The new stores, spanning about 4 lakh sq.ft. each, would be ready by 2019-20," he said.

The new stores, which would be identical to other IKEA stores coming up in the country, would feature a 1,000-seater restaurant, warehouse and play area.

Sourcing textiles

Currently, IKEA has been sourcing textiles from five suppliers in Tiruppur, Tamil Nadu, of which one of the oldest suppliers has been associated with them for 45 years.

The number of suppliers are set to increase and they will get a chance to be a part of IKEA global supply chain, he said.

Claiming it would be a win-win situation for all stakeholders, he said: "It brings the best of the international brands and local partners together.

About 30% of items will be sourced from the local market and at the same time, provide employment to local people." A suppliers fair will be conducted in Chennai to start sourcing items such as sofa, mattress and bookcases."

Mr. Maeztu said they will forge tie-ups with suppliers, farmers, carpenters and women artisans. “Under the Nextgen (pilot) programme, we are sourcing handmade products from 1,200 women in Varanasi.

Similarly, *Disha* programme will be rolled out in Hyderabad to provide employment to underprivileged women.”

IKEA’s first store in India at Hyderabad would be ready by the first half of 2018. The Mumbai and Bengaluru stores will be ready by the beginning of 2019. “It will take two-three years to start the second store in Mumbai.

We will start investing ₹3,000 crore every year. We are in for a long haul and will take a long step,” he said.

Source: thehindu.com- Sep 15, 2017

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