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IBTEX No. 117 of 2019 June 18, 2019

SD 69.79| EUR 78.42 | GBP 87.48 | JPY 0.64

Cotton Market		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21818	45600	**83.21**
Domestic Futures Price (Ex. Warehouse Rajkot), June		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21650	45249	**82.57**
International Futures Price		
NY ICE USD Cents/lb (December 2019)	66.42	
ZCE Cotton: Yuan/MT (September 2019)	13,515	
ZCE Cotton: USD Cents/lb	88.51	
Cotlook A Index – Physical	**77.05**	

Cotton Guide: All eyes have shifted towards the ICE December contract. The ICE Contracts displayed gains barring the ICE July contract which drifted downward with a change of -31 points thus settling at 65.63 cents/lb. The ICE contract with the highest volumes, the ICE December contract settled with gains of +67 points thus settling at 66.42 cents/lb.

The ICE December contract exhibited highest volumes of 23,200 contracts, while the ICE July contract displayed declining figures at 12,693 contracts. The total volumes were seen at 41,871 contracts.

When we speak about the Domestic contracts, the MCX contracts settled higher in a range of +90 Rs to +150 Rs. The MCX June contract settled at 21,690 Rs with a change of +150 Rs whereas the MCX July contract settled at 21,770 Rs with a change of +110 Rs. Total volumes were at 3,583 lots. The Open Interest seen for the MCX June contract was at 10,431 lots with the total OI for all the contracts at 18,763 lots.

The cotlook Index A has been adjusted at 77.05 cents/lb with a change of -0.75 cents/lb where the cotlook Forward Index A has been adjusted at 75.85 cents/lb with a change of -0.60 cents/lb. The prices of Shankar 6 were seen at 45,600 Rs. Prices seem to be firm at the moment and are not expected to show high volatility in this week.

The news of incessant rains and cooler temperatures (in the west Texas region) have been a reason for this price rise seen in the international contracts. The prices of cotton were also piggybacking on the prices of the competing crops.

For today we feel the contracts will tilt towards the positive end with weather conditions playing an important role. The domestic contracts may walk on the same path as that of ICE.

On the Technical front (ICE JULY), prices have broken an upward sloping channel, also forming a bearish flag formation suggesting negative bias for the prices. Immediate support for the prices at 64.80 & the resistances would be 66 (9 day EMA). Prices would look to take support of 50% Fibonacci extension level (64.80), but are currently trading below the DEMA (5, 9) at (65.83, 66.31).

Momentum indicator RSI is at 35 suggesting negative bias for the coming sessions. For the today's session we expect the prices to trade within a range of 64.8-66. However, a move below 64.80, would push the prices till the levels of 63.60. In the Domestic market MCX Cotton June may trade in the range of 21400-21800

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

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INTERNATIONAL NEWS

Hearings on Tranche 4 of China Tariffs, Trade Policy Extended to June 25

The U.S. Trade Representative last week extended the hearings on the final tranche of tariffs planned for Chinese imports through June 25 from just June 17, a move that could ease some of the trade tensions at the upcoming G-20 meeting in Osaka on June 28-29 where the expectation is that U.S. President Trump and China President Xi are expected to meet.

President Trump has indicated that he will make a decision on the tariffs about two weeks after an expected meeting with President Xi. There is also a mandatory seven-day post-chearing rebuttal period before any decision on tariffs can be announced. According UBS economist Seth Carpenter on Monday, "This change makes July 1 the new focal point for the announcement (if any) of the full escalation of tariffs."

Carpenter said the removal of trade tensions could increase the odds that "negotiations resume, progress, and after many months, reach some sort of deal to ward off escalation." He noted that the delay also would likely give an incentive for the Federal Reserve to "wait to see that tariffs actually materialize and actually affect the real economy before taking action."

There's been significant market volatility as stocks sold off and then rebounded in the past two weeks after investors were banking that the Federal Reserve would move with an interest rate cut to help keep the economy in growth mode. The Fed members have their Federal Open Market Committee meeting Tuesday and Wednesday to discuss policy action.

Meanwhile, another UBS economist Alan Detmeister said on Monday that if the remaining tranche were to go into effect over the next few weeks, it could raise consumer prices by 33 basis points by the middle of next year, or one third of 1 percent. That in turn has the economist projecting a 12-month change in the core PCE inflation to hit 2.4 percent in spring 2020, "a strong upward surge from its current 1.6 percent rate."

PCE represents the personal consumption expenditures. As part of the price index, it measures prices paid by consumers, excluding food and energy prices, to indicate inflation trends.

But Detmeister did note that the inflation rate would be a temporary one-time shock. He reasoned that the rate would be pushed down by a higher unemployment rate and expected weaker economy that would occur if the tariffs are put in place. That would lower the core PCE inflation rate to 1.9 percent by 2021. Telephones, games, toys and hobbies account for about 30 percent of the value of the items on the tranche 4 tariff lists, with apparel, computers and tablets, and household supplies rounding out the top categories that are expected to contribute to the rise in consumer prices, the economist said.

Even if firms can source alternate suppliers outside of China to avoid the tariffs, that wouldn't necessarily translate into savings. Detmeister noted that the new manufacturers could also increase their prices, which is what happened last year when companies found substitute items following the tariffs on washing machines.

According to Detmeister, the imported value of apparel from China is about $28.7 billion, or a 9.3 percent share of the PCE. For footwear, that value is $13.1 billion, or 15.9 percent, while jewelry and watches are $4.2 billion, or 5.1 percent.

Meanwhile, the U.S. Trade Representative's hearings on the proposed retaliatory tariff–25 perc ent on $300 billion of Chinese imports not yet taxed–began Monday morning, with many companies and trade organizations planning to testify over the next seven days.

Testimony is expected both in favor of and against the tariff's implementation. Both sides see "America First" as the key mantra, but end up on different sides of the fence depending on one's perspective.

National Council of Textile Organizations president and chief executive officer Kim Glas is slated to testify on June 20, while NCTO member Parkdale Mills saw Daniel Nation, director of government relations, testify on Monday. NCTO, for the most part, is in favor of the tariff.

In prepared remarks for the USTR hearing, Nation said Parkdale supported the proposed tariff list in the U.S.'s case against China, given the Asian nation's position on "theft of intellectual property."

He noted in his remarks, “Including finished textile and apparel product on the 301 retaliation list would greatly enhance the administrations’ leverage in the ongoing negotiations and help redirect trade in this sector to the Western Hemisphere.”

NCTO’s position is to re-shore production to the U.S., although it is pushing for certain exceptions, such as chemicals, dyes, and machinery and other manufacturing inputs not made in the U.S.

In contrast, the American Apparel and Footwear Association is seeking a halt to the impending imposition of the planned tariffs. Representing designers, manufacturers, wholesalers, retailers, exporters and importers, the organization and its members sent President Trump a letter Monday indicating that all its members would be “harmed by this action,” which also will mean higher prices for U.S. consumers.

The letter also said the fashion industry already bears a disproportionate tariff burden, paying upwards of $18 billion in tariffs in 2018, even though it accounts for just 6 percent of all U.S. imports.

AAFA president and chief executive officer Rick Helfenbein, in his testimony Monday afternoon, reiterated the economic burden on U.S. consumers and manufacturers: “Any tariff on these consumer goods–they are used by every American–will end up hurting U.S. consumers, in addition to the companies and workers who support them. We expect prices to go up, sales to go down, and jobs to be lost.”

Source: sourcingjournal.com- June 17, 2019

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Impact of Tariff Threats Causes Sea Change in Denim Sourcing

When it comes to denim sourcing, uncertainty in political circles is driving diversification and a solidification of relationships and tenets.

Much of the mood has been forced on the industry by the U.S.-China trade war that has resulted in high anxiety over precisely when apparel imports from China will be hit by tariffs of as much as 25 percent by the U.S. as a cudgel against what the White House and the U.S textile industry charge is China's failure to reform and police its intellectual property rights policies and unfair government subsidies of exporters.

Then there was the recent threat by President Trump to impose tariffs from 5 percent to 25 percent on imports from Mexico, which was rescinded at the last minute. But the propensity for Trump to use punitive import duties as threatened and actual political tools has now ingrained a risk-averse attitude in the denim sector that has caused real change in sourcing strategies, according to mills showing at the Kingpins New York show last week and elsewhere around the industry.

"When the Mexican tariff threat was taken back by Trump, all the Mexican mills walked back off the ledge," Richard Costa, East Coast sales director at Twin Dragon, said.

Susan Lee, the new designer at Twin Dragon, said, "We produce globally and ship globally. That's how you have to be today."

Twin Dragon now manufactures in Mexico, China, Taiwan, Vietnam and Nicaragua. The company also uses a wash house, Blue River, in Los Angeles, for treatments such as laser and ozone dyeing and finishing.

Robert Antoshak, managing director at Olah Inc., which produces the Kingpins show, said, "People are diversifying their denim sourcing locations. Some people are getting out of China and some people are staying in China.

Some are adding another component and finishing it in another country so they don't have to say Made in China and can avoid tariffs. Others are just moving out entirely. There is definitely confusion in the marketplace."

Mexico and the West

Antoshak said the effects of the trade dispute with China have moved some supply chains back to the Western Hemisphere. He said companies are not going to be able to swallow the 25 percent tariff on Chinese goods and it will cause them to look elsewhere for their production.

“I’ve observed a strong interest in U.S. sources of fabric,” he said, noting that he’s been working with a startup, Vidalia Mills, in Louisiana, and that’s going to be one of the sources of premium denim in the U.S. “I think there’s renewed interest in general in this hemisphere.”

Denim apparel imports from the Western Hemisphere increased 13.41 percent in the first four months of the year to reach a value of $323.68 million. This represented a 27.4 percent market share of all U.S. imports of denim apparel, 97 percent of which is jeans, according to the Commerce Department’s Office of Textiles & Apparel (OTEXA).

Mexican mills such as Global Denim and Kaltex exhibiting at Kingpins said business was good, but trepidation was high.

Jim Lorber, a sales executive at Global Denim, said if a 5 percent tariff had been imposed on Mexico, mills, suppliers and customers would have worked together to absorb or adjust costs and prices. But, “if tariffs go to 25 percent, then we and others would find it very difficult to manufacture there.”

Lorber said the ongoing tariff threat has caused shocks and change in the supply chain. He said one of the reasons so many Los Angeles denim company moved their production to Mexico was to improve their margins and if that is taken away, it would be disruptive to their businesses.

So far, Mexico’s place as a denim apparel supplier remains strong. Imports from Mexico were up 17.44 percent in the year-to-date through April, to $261.23 million in value compared to the year-ago period, OTEXA reported. Nicaragua’s jeans shipments to the U.S. jumped 23.57 percent in the period to $32.38 million, while imports from Guatemala rose 36.58 percent to $10.77 million.

The two countries are part of the Central American Free Trade Agreement (CAFTA), which allows duty-free treatment under certain input stipulations and has boosted exports for U.S. yarn and fabric manufacturers. Jeans imports from the CAFTA countries rose 26 percent to $43.75 million in the first four months of the year compared to the year-ago period.

In the midst of the Mexican tariff threat, Levi Strauss & Co. said sourcing from Mexico and China combined makes up 15 percent to 20 percent of its U.S. imports.

“Given the ongoing threat of tariffs and trade disputes, we have been proactively managing down sourcing from each of these countries over the past two years,” Levi’s said. “Currently, total annual China imports represent less than 8 percent of U.S. imports and we are in the process of actively managing this down to very low-single-digits by fiscal year 2020.”

China and the East

Art Peck, president and CEO of Gap Inc., told analysts: “We’ve been migrating sourcing out of China for the last several years and we’ll continue to do this responsibly going forward. As recently as three years ago, about 25 percent of our product was manufactured in China. In our most recent disclosure, that number was down to 21 percent.”

Asian countries such as Bangladesh, Pakistan, Cambodia and India have seen their jeans shipments rise at the expense of Chinese production, which has seen its growth flatten in the last year, even while holding onto its spot as the top supplier.

Ebru Ozaydin, senior vice president of sales and marketing at Pakistan’s Artistic Milliners, described “so much turmoil” in the denim sector. On the one hand there is the continued spate of store closings that leaves denim suppliers and denim brands “trying to understand where retail is going and plan accordingly.”

“Then everybody is talking about what’s going to happen with trade,” Ozaydin said. “There’s no doubt that the trade war between the U.S. and China has resulted in production being spread out across Asia and being a Pakistan manufacturer, we have benefited.”

Jeans imports from Pakistan rose 5.42 percent in value in the year through April to $74.57 million, while China's shipments fell 2.29 percent to $228.78 billion. Among the top suppliers, imports from Vietnam jumped 33.65 percent to $83.43 million.

"The most important thing, however, is that you have to be ready as a company," Ozaydin said. 'You have to have capacity in place and the capability to utilize it when business increases.

It's also very important to have the right sustainable technology, methods and certifications in place. Brands have an absolute expectation of that. Sustainability has to be a pillar of your company or some brands won't even consider you as a partner."

Tricia Carey, director of global business development for denim at Lenzing Fibers, said, "Everyone is confused about what Trump is doing on trade. Trade is shifting out of China and being split among many countries. Companies are saying if we don't need to be in China, we're getting out."

Carey said the political machinations threaten some ongoing relationships and collaborations and strengthen others. She noted that Pakistan and India are getting more attention for denim production.

Lenzing has expanded its global cadre of mills that use its Tencel fibers. Carey noted that 80 percent of the mills at Kingpins were using one of Lenzing's fibers, including Tencel Lyocell and Refibra.

Source: sourcingjournal.com- June 17, 2019

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China textile conference in July

The China Textile Innovation Conference will be held July 4 to 6, 2019. The aim of this conference is to effectively promote the value transition of China's textile and garment industry.

The event will gather fashion resources and innovation power to jointly explore the concept of intelligent design to meet consumer demand, intelligent brand to promote value growth, and intelligent future to achieve sustainable development.

Participants include leaders from IT, textile and apparel councils and trade associations as well as presidents and senior managers, textile suppliers from home and abroad, delegates from textile industrial clusters and senior managerial personnel from the textile chain.

In the new era, design is not only the creative expression of the aesthetic field and the pursuit of perfection in the craft category, but also the new-type productivity that integrates technological innovation, cultural creativity and green development. It continuously creates new consumer demand and business growth.

Information technology such as artificial intelligence, big data, cloud computing, is the new engine for the future development of science and technology innovation.

The deep integration of the real economy and information technology will build a new economic form of data-driven, cross-border integration and sharing, which will stimulate the innovation vitality of the industry and the endogenous power of enterprises.

Source: fashionatingworld.com- June 17, 2019

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Indian Imports of garment from Bangladesh increases by 53%

Imports of readymade garments from Bangladesh have increased by 53 per cent

Cotton garments such as trousers, shorts and shirts and cotton T-shirts are among the top four imported items. And this surge is catching up with synthetic textile products, too, at a much faster rate.

When all these products are commonly manufactured in clusters such as Tirupur, Chennai, Surat and Ichalkaranji, Indian manufacturers seem to be losing out to Bangladesh.

Before GST, Indian importers had to pay a countervailing duty of about five percent to seven percent, which drove up the costs of these garments. With GST having subsumed this duty, apparel from Bangladesh has become cheaper for Indian importers by 5 per cent to 7 per cent. Also Bangladesh has the advantage of having lower minimum wages than those in India.

This reduces the cost of production and makes clothing cheaper. Another factor which makes Bangladesh competitive is the fact that it enjoys duty free imports of fabrics and garments from China.

The availability of cheaper fabric, too, brings down manufacturing costs. Lastly, India has a lot of small production units and factories.

So if retailers want to procure 100,000 pieces, they'll have to source them from several Indian garment producers, whereas they can procure the same easily in Bangladesh by placing the order to one or two firms.

Source: fashionatingworld.com- June 17, 2019

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Indonesian batik clothing and fabrics on display at ATF 2019

The Apparel Textile and Footwear (ATF) 2019 trade exhibition featured several Indonesian batik clothing and fabrics. The exhibition was held from June 12-14, 2019 at the International Convention Center in Cape Town, South Africa.

The Indonesian Embassy in Pretoria, Indonesian Consulate General in Cape Town, and the Indonesian Trade Promotion Center (ITPC) in Johannesburg collaborated at the exhibition to popularise and market batik in a more systematic way in African markets.

The second day of the exhibited included a Wastra Nusantara" sequence at the fashion show which featured the latest collection of batik designers and entrepreneurs from Lampung, Pekalongan, and Bandung.

Batik Siger, a brand with experience in showcasing its collections in various countries, presented clothing lines for men and women, with a typical Siger style of Lampung Province, at this exhibition.

Lovely Zia from Bandung displayed contemporary batik clothing, including patchwork skirts, shirts, dresses, and outer wear for both genders. Aruni Batik Pekalongan showcased batik clothing for men and batik fabric, while Annie.B Cape Town featured Balinese fabrics, silver jewelry, accessories, and rattan bags.

ATF is the largest annual exhibition of textiles, apparel, and footwear in Africa, which annually attracts some two thousand visitors and at least 500 exhibitors from various countries.

Source: fashionatingworld.com- June 17, 2019

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Vietnamese firms urged to make use of CPTPP

Preferential export taxes offered by the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) are expected to be promulgated this month. However, the tax reduction is only one of the incentives for Vietnamese goods when entering markets, not a 'lifesaver' for businesses, said the Ministry of Industry and Trade (MoIT).

The Ministry of Finance (MoF) submitted a decree on preferential export tariffs and special preferential import tariffs of Việt Nam under the CPTPP from the period January 14, 2019 to December 31, 2022.

Under the decree, the MoF and General Department of Customs tried to compare the taxes of free trade agreements (FTAs) with the CPTPP so that businesses can choose appropriate preferential tax rates.

The preferential tariffs include two country groups. One group has implemented the CPTPP since the end of 2018, including Canada, Australia, New Zealand and Singapore and another group will start from 2019.

Accordingly, when enterprises import goods, they need to read the tariff to understand the tax reduction schedule. For example, if the goods are imported from Australia, the roadmap is the second year, while imports from Mexico will come under the first year.

It is expected that the tax reduction would be applied to some 300 products. However, businesses are required to have preferential certificate of origin (C/O) to enjoy the preferential tariffs. C/O in CPTPP is a certificate that can be issued to multiple shipments on condition of not exceeding 12 months and can be issued to many different importers.

Earlier, Canada immediately eliminated tariffs on fishery products, especially key products of Việt Nam. Rice and products containing rice, coffee, green tea, fruit and vegetables also saw the majority of tariffs eliminated at the time the commitments started.

According to the MoIT's Import-Export Department, many exporters of garment and textile and leather shoes have taken advantage of the C/O principles under the CPTPP when exporting to Canada.

In the Japanese market, the majority of seafood products which Việt Nam has an advantage, such as frozen and processed shrimp, enjoy zero tax right after the CPTPP took effect.

However, the MoIT said the tax reduction is only one of the preferential items for Vietnamese goods. Businesses still have to ensure their products meet quality and technical standards as well as have certificates of origin from importers.

Phạm Thiết Hòa, director of the Investment and Trade Promotion Centre of HCM City (ITPC), said import and export activities of local businesses are subject to control of CPTPP's both incentives and strict requirements.

Among 10 members of the CPTPP, Việt Nam signed FTAs with seven countries, of which four countries have relatively high bilateral import-export turnover, reaching nearly US$7 billion.

For countries that have not signed bilateral FTAs such as Canada or Mexico, export turnover stood at $4.6 billion and $3.4 billion in 2018, respectively. Particularly, in the first quarter of 2019, Vietnamese goods exported to Canada reached $864 million, up 42.7 per cent over the same period last year.

However, for these markets, Việt Nam's exports account for only 1-2 per cent of the total import turnover of each country. With a large market capacity and the difference in tax incentives before and after the CPTPP took effect, Canada and Mexico will be potential export markets for Vietnamese enterprises. In particular, Vietnamese industries which have advantages such as footwear, textiles, aquatic and wood products are predicted to have high export growth rates, if they make good use of incentives.

In reality, Vietnamese enterprises have often only paid attention to trade issues such as quality, quantity of goods, time of delivery and receipt, but neglect the legal factors such as applicable law and provisions on dispute resolution.

In order to limit this, even at the negotiation stage, Vietnamese enterprises need to actively agree with partners on these components as a way to prevent possible disputes.

After four to five months of CPTPP implementation, Việt Nam's trade with some member countries has increased compared to the same period last year.

For example, Việt Nam's trade with Canada was increased by over 70 per cent, Mexico over 8 per cent. With Japan, Việt Nam has an agreement within ASEAN, but trade in the past 4 months has also increased by 4 per cent.

Source: vietnamnews.vn- June 17, 2019

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Bangladeshi textile demands more aid to export against costs increase

The country's clothing manufacturers seek to counteract the increase in production costs and low prices with which they work. The sector's exports represent 16% of the country's economy as a whole.

The textile of Bangladesh demands more public aid. The country's garment manufacturers have asked the government to raise subsidies for exports because they believe that the expense approved for this year is not enough to offset the increase in production costs and low prices.

The country's clothing manufacturers are asking the executive for a 5% increase in subsidies for the sector's exports. The employer of the sector in the country, Bangladesh Garment Manufacturers and Exporters Association (Bgmea), has indicated that the prices of the clothes in the European and American markets descended a 3.64% and a 7.4% from 2012, according to Reuters.

On the other hand, the business organization points out that product costs have also increased, largely as a result of the increase in labor costs boosted by the latest wage increase. Exports of the Bengali textile and clothing industry generate 30,000 million dollars each year, 16% of the economy as a whole. The sector employs around four million workers in the country.

Source: themds.com- June 17, 2019

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NATIONAL NEWS

India's trade outlook fragile due to tension with US: Report

India's near-term trade outlook is fragile as its retaliatory tariffs on US products come amid a global slowdown, a report said.

Trade deficit remained elevated in May and widened to $15.36 billion from $15.33 billion in April and a comparable $14.62 billion the same month last year.

"The near term outlook for trade looks fragile with President Donald Trump terminating a beneficial trade treatment accorded to India for a developing nation. Also, the recent imposition of retaliatory tariffs by Indian economy to US decision comes at a time when global economic growth rate is projected to slow down.. ," the Centrum report said.

"Both the actions add further woes to India's trade position, that is already struggling against the prevalent headwinds from slowing global demand," it added.

However, Crisil said it believes the withdrawal of benefits under the Generalized System of Preferences (GSP) from June 5, as announced by the US earlier, will have limited impact on India's overall export trade.

"In calendar 2018, India's goods and services trade with the US totalled $142.1 billion of which, exports were $83.2 billion. Within exports, that under GSP is estimated to be 7.5-7.8 per cent, which translates into $260 million of levies saved, tantamount to a 4 per cent duty benefit," Crisil said.

It added that the gems and jewellery sector could be moderately impacted by the withdrawal of GSP, pharmaceuticals and textiles and apparel would be relatively unscathed.

Source: business-standard.com - June 17, 2019

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Textiles industry delegation submits agenda to Irani

Delegation of FICCI Textiles Committee met Smriti Zubin Irani, Minister for Textiles and Women and Child Development recently and impressed upon her to launch a special mission for synthetic fibre and textiles value chain to make Indian industry competitive in the global trade which is predominantly done in the man-made fibre (MMF)-based items.

Global textile markets are swiftly shifting from exports of cotton yarn to manmade fibres. Hence, India must take urgent steps to keep pace with the global markets by increasing production and exports of MMF based products.

India's per capita consumption of Man-made Fibre is around 3.0 kg, whereas the world per capita consumption is 12 Kg. There is a wide gap and tremendous opportunity for enhancing the consumption of MMF based textiles and clothing in India.

Government needs to announce a MMF Textile Mission for giving thrust to development of Synthetic and Specialty fibres in India by making the value chain competitive and providing raw materials at competitive prices, said FICCI.

This mission mode approach with specific time bound targets will help India to garner higher export share in global markets and new employment opportunities across India.

Other important issues raised by the FICCI delegation were need for simplification of GST rates for the entire textile value chain (one rate for the entire textile value chain), rising imports of garments from Bangladesh and need for separate housing scheme for garment workers in the cities.
Currently, due to different GST rates in the textiles value chain refund accumulates due to inversion. Collapsing all these rates into a single rate of 12% does not build up input tax credit, does not lead to refund of input tax credit which would imply less paperwork and less applications for the industry, noted FICCI.

Further, garment imports from Bangladesh have increased almost by 82% in 2018-19 vis-a-vis 2017-18 (from US $ 200 million to US $365 million) pointed out FICCI.

Imported garments have got 12-15% advantage vis-a-vis domestic garments in the post GST period. FICCI suggested that under the SAFTA agreement only those goods should be exempted from custom duty, whose raw material is also manufactured by SAFTA countries.

Yarn and fabric forward rules of origin are required under SAFTA to ensure any duty free garment import is made up of yarn or fabric from within the SAFTA countries only.

To increase the employment of women workers in garment sector, FICCI suggested to increase the deduction under IT Act Section 80JJAA for women work force from present 30% to 60% per annum threshold.

IT Act Section 80JJAA provides deduction in respect of employment of new employees drawing emoluments up to Rs 25,000 per month (explanation- At present, under section 80-JJAA of the Act, a deduction of 30% is allowed in addition to normal deduction of 100% in respect of emoluments paid to eligible new employees who have been employed for a minimum period of 240 days during the year.

The minimum period of employment is relaxed to 150 days in the case of apparel industry). This would encourage employers to employ women work force which is now constrained by social and statutory conditions

FICCI also requested the Minister to come out with a Worker Housing scheme for apparel sector in the cities. The need for such a scheme arise from the growing difficulties faced by women garment workers due to lack of safe and conveniently located accommodation in cities.

Also, to arrest and increase the declining female workforce ratio in the country, it is important to have such a scheme for the women workers in and around cities, noted FICCI.

Source: smetimes.in - June 17, 2019

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We should join WTO e-commerce talks

Export councils feel that staying out of the plurilateral group can adversely impact trade relations with markets such as the US

E-commerce and growing protectionism were two key topics of discussions at the G20 ministerial meeting at Tsukuba, Japan, on June 8 and 9. New Delhi will soon have to take a decision on whether or not to join the WTO's plurilateral group on trade rules in e-commerce.

Earlier this year, 77 WTO member-countries came together to negotiate trade rules in e-commerce. India is negotiating an e-commerce chapter in the Regional Comprehensive Economic Partnership (RCEP) agreement. Among the 16 RCEP member-countries, 11 (including China) are a part of the plurilateral group. It is, therefore, important for the new government to review India's stance.

In the past decade, fast growth of technology and development of different business models have led to double-digit growth of trade in e-commerce. UNCTAD estimated that the global e-commerce market was at $29 trillion in 2017.

India was ranked ninth in terms of global e-commerce sales then. The flow of data now contributes more to the world's GDP than flow of physical goods. The rise in importance of data and its intangibility have made the regulatory framework governing data flows complex.

While it is increasingly difficult for countries to regulate technology, there are concerns that growing digitalisation may increase the risks to national security and consumer privacy. To enforce government right to vigilance and consumer data protection, a number of developed and developing countries are implementing data localisation measures.

The European Union (EU) has implemented the General Data Protection Regulation (GDPR), while China's Cybersecurity Law of 2016 prohibits or severely restricts routine cross-border transfers of information. India's Draft National E-commerce policy is aimed at enacting a data protection regulation based on the Srikrishna Committee recommendations.

Two concerns of WTO member-countries are localisation and the growing oligopolistic powers of few global multinationals. The plurilateral group created by the WTO member countries is negotiating global trade rules in e-commerce.

To understand whether India should be a part of the plurilateral group, a survey of 50 stakeholders was conducted by researchers in ICRIER. Majority of the respondents opined that India should participate in the plurilateral e-commerce negotiations so as to play a major role in decision-making.

Participation matters

Most Indian business and export promotion councils feel that taking a hard position of staying out of the negotiations can adversely impact India' trade relations with key export markets such as the US. In this regard, a submission made by Express Industry Council of India, on the Draft National E-commerce Policy, stated that: "We encourage the GOI to embrace the concepts currently under consideration by the WTO e-commerce initiative, recognising that this plurilateral effort is a means for India, should it join the effort, to adopt policies that will facilitate the growth of India's e-commerce market."

Some survey participants felt that the disincentive to participate may be due to the lack of data and information and/or lack of preparedness. In this context, the government may start sponsoring research for data collection on what component of the SME businesses are through e-commerce platform, whether such platforms have helped SMEs to access the global market and integrate into global value chains, and what is the business model of the e-commerce companies and their source of funding, among others. They also suggested that India should enact the Personal Data Protection Bill based on the Srikrishna report to ensure data security.

The survey also found that barriers which adversely impact efficient business models and restrict investment in logistics infrastructure but are not able to help the domestic companies to gain global scale should be reviewed and replaced by policies which address the issues faced by domestic start-ups and SMEs.

A number of e-commerce companies and their express delivery service providers pointed out that commitments to deliver within a certain date and/or time cannot be made to customers unless e-commerce companies and/or the express delivery companies in their network have control over the inventory.

Thus, the restrictions on FDI in inventory-based model cannot be adhered to if a firm, on the one hand, has an efficient business operation which meets customer requirements and satisfaction and, on the other, has a fast-track growth strategy. Indian express delivery companies pointed out that being a part of the network of global e-commerce companies have led to 40 per cent increase in their B2C sales and 20 per cent increase in their B2B sales. Given that GST supports a single market model, if the restrictions on inventory-based models are removed, they can be a part of the most efficient inventory management system, which will reduce logistics costs.

Data security

While all survey participants agree on the need for data security and protection, they have raised concerns about the way in which the policy have been implemented and, at times, without stakeholders' consultations. For example, they cite the RBI notification in April 2018 on storage of payment data.

The RBI said that the entire data relating to payment systems should be stored in a system "only" in India. While the payment companies had no objection to share the data real-time with the RBI, they are concerned about their ability to do risk management and fraud in the context of international trade-related payments if data mirroring/sharing is not allowed.

Localisation of data has been a key component of the Draft National E-commerce Policy, but the policy fails to define key terminology like community data and sensitive data.

Lawyers are also divided as to what are the constitutional rights of citizens in a democratic country and how that is ensured under the proposed policy. While the policy is drawn with the objective of creating infrastructure and jobs in the country, there are no studies on how much infrastructure is needed, do we have the capacity to manufacture to meet the requirements, can we meet the requirements in three years as proposed, and what would be the impact on trade balance and imports.

Given these policy gaps, the high-level trade committee may review the current regime, look at global best practices, examine the inputs given by different stakeholders and then develop India's e-commerce policies and negotiating strategies at the WTO.

Source: thehindubusinessline.com- June 17, 2019

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India draws up plan to gain from US-China trade war

Centre identifies categories in which exports can be raised

With the US-China trade war intensifying, India is keen to increase its market share in both countries and has carried out a detailed analysis identifying items where there is potential to increase exports.

In a recent study, the Commerce Ministry has identified 203 products where exports could be increased to the US, replacing Chinese goods, and 151 items where exports to China could rise.

"The list of items where exports from India can be increased to the US and Chinese markets will be shared with the respective line Ministries and Departments and industry organisations so that sectoral plans can be made. India will also bilaterally seek more access for these products from the US and the Chinese governments by asking them to remove non-tariff barriers wherever they exist," a government official told BusinessLine.

Per the analysis, there are at least 203 lines where India has the potential to replace Chinese exports to the US as it already has market access for these items and is a competitor of China. Since the US has increased tariffs for China on these items, it would be easy for India to increase exports. These items include electrical machinery and equipment and base metals and articles.

US imports from China of these items are worth $30.6 billion, while India's exports to the US are only worth $2.4 billion. The fact that India has the capability of increasing exports to the US is evident from the fact that India's total exports of these items to the world are worth $22.2 billion.

A number of agricultural items and chemicals, too, have the potential for greater export to the US.

In the case of China, where different levels of retaliatory tariffs have been imposed on US goods, the Commerce Ministry has carried out a commodity-wise analysis. "The specific lines in which India can potentially expand exports to China immediately ... and also those in which concerted efforts need to be made to acquire market access have been identified," the official said.

The outright advantage

Of the items on which 25 per cent duty has been levied by China on the US, India has the outright advantage to displace US exports to China in 47 lines as it is a strong exporter of these items, according to the analysis. These include some chemicals, granite, inverters, copper ore and concentrates.

Of the items on which China has imposed 10 per cent duty on the US, there are 29 lines in which India is a strong exporter and can displace the US. The top lines include chemicals, equipment for transmission of voice/data in a wired network and tubes and pipes and hoses of vulcanised rubber.

Of the items imported from the US on which China has imposed retaliatory tariffs of 5 per cent, India can displace US exports for 25 lines, including engines, diesel, x-ray tubes and some antibiotics.

Source: thehindubusinessline.com- June 16, 2019

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Surat textile weavers urge government to expedite TUFS scheme

The Federation of Indian Art Silk Weaving Industry (FIASWI) has requested the ministry of textile to expedite financial assistance to weaving units in Surat under Technological Upgradation Fund Scheme (TUFS).

“More than 1,500 such applications are pending to avail support from TUFS. Delay in release of funds under TUFS is hampering expansion plans of these units, which could generate thousands of jobs,” says Bharat Gandhi, chairman of FISWI, adding that the Centre has reduced subsidy under the scheme from 30% to 10%, which should again be restored to 30%.

There are 22,000 weaving units in Surat with more than 4.50 lakh power-looms. These units are providing employment to more than 2.50 lakh people in Surat and the surrounding areas. Most of these units are MSMEs, and are facing issues related to TUFS scheme. FIASWI has also raised concern over high rejection rates of applications under TUFS.

“on account of inconsequential reasons like machine number not mentioned in invoice that too without giving opportunity to rectify.” The federation wants sympathetic approach, Bharat says, adding that hig- end embroidery machines are removed under the scheme and, as a result, a plethora of applications automatically became ineligible. “We want the textile ministry should reconsider its decision,” he added.

According to him, the textile industry is providing highest employment after agriculture in the country. Especially, Surat is producing 90% man-made fabric. The industry requires support from the Centre through TUFS, Group Work Shed Scheme, and simplification in processes to avail benefits of these schemes to enhance productivity and to make the industry compatible in international market, he said.

Already textile industry is facing goods and services tax (GST) related issues ranging too much paper work and problems related to credit refunds, he said, adding that hopefully the new government would solve issues on priority basis in coming days.

Source: financialexpress.com- June 18, 2019

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GM cotton: what is allowed, what farmers sowed

Bt cotton remains the only GM crop allowed to be cultivated in the country. Developed by US giant Bayer-Monsanto, it involves insertion of two genes viz 'Cry1Ab' and 'Cry2Bc' from the soil bacterium Bacillus thuringiensis into cotton seeds.

Last week, a group of more than 1,000 farmers gathered in a village in Akola of Maharashtra to sow seeds of an unapproved, genetically modified variety of cotton, defying government regulations. The government is now investigating what was planted.

The event was organised by Shetkari Sanghtana, a farmers' union once led by the late Sharad Joshi. About two decades ago, Joshi had led a campaign for the introduction of genetically modified food crops. The campaign played a major role in the approval for Bt cotton, a transgenic variety of cotton.

What is allowed

Bt cotton remains the only GM crop allowed to be cultivated in the country. Developed by US giant Bayer-Monsanto, it involves insertion of two genes viz 'Cry1Ab' and 'Cry2Bc' from the soil bacterium Bacillus thuringiensis into cotton seeds.

This modification codes the plant to produce protein toxic to Heliothis bollworm (pink bollworm) thus making it resistant to their attack. The commercial release of this hybrid was sanctioned by the government in 2002.

In India, it is the responsibility of the Genetic Engineering Appraisal Committee (GEAC) under the Environment Ministry to assess the safety of a genetically modified plant, and decide whether it is fit for cultivation. The GEAC comprises experts and government representatives, and a decision it takes has to be approved by the Environment Minister before any crop is allowed for cultivation.

Besides Bt cotton, the GEAC has cleared two other genetically modified crops — brinjal and mustard — but these have not received the consent of the Environment Minister.

The variety now sown

The farmers in Akola planted a herbicide-tolerant variety of Bt cotton. This variety (HtBt) involves the addition of another gene, ‘Cp4-Epsps’ from another soil bacterium, Agrobacterium tumefaciens. It is not cleared by GEAC. The farmers claim that the HtBt variety can withstand the spray of glyphosate, a herbicide that is used to remove weeds, and thus it substantially saves them de-weeding costs. Farmers spend around Rs 3,000-5,000 per acre for de-weeding. Along with the uncertainty in finding labour, de-weeding threatens economic viability of their crops, they say.

Why it’s a concern

Genetic changes made in a plant can make it unsafe for consumption, have adverse impacts on human or animal health, or introduce problems in the soil or neighbouring crops. There is an elaborate process of tests and field trials to be followed. Critics of GM technology argue that some traits of genes start expressing themselves only after several generations, and thus one can never be sure about their safety.

What the law says

Legally, sale, storage, transportation and usage of unapproved GM seeds is a punishable offence under the Rules of Environmental Protection Act 1989. Also, sale of unapproved seeds can attract action under the Seed Act of 1966 and the Cotton Act of 1957. The Environmental Protection Act provides for a jail term of five years and a fine of Rs 1 lakh for violation of its provisions, and cases can be filed under the other two Acts.

Farmers who assembled in Akola alleged that the HtBt variety is being surreptitiously used by farmers across the country, smuggled from abroad. Maharashtra’s Commissioner of Agriculture has registered 10 police cases and impounded 4,516 packets of HtBt seeds this year alone.

What next

Akola’s District Collector has assured that farmers will not face any action but organisers of the event would be acted against.

The district administration has sent samples of the sown seeds to a laboratory in Nagpur to verify whether they were indeed an unapproved GM variety. The Environment Ministry has written to the state government seeking a factual report on the incident.

Source: indianexpress.com- June 18, 2019

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Tariff hikes achieve little

India has made good on its threat of retaliatory tariffs after the U.S. withdrew the benefit of duty-free market access for several Indian exports under its Generalized System of Preferences. New Delhi's imposition of higher duties on 28 US products came less than a fortnight after the GSP withdrawal on 5 June.

While India's move is clearly symbolic more than anything else, any escalation of the trade dispute could prove counterproductive as the country's geo-strategic and developmental goals call for greater global integration.

Besides, India must guard against tariff creep, with barriers slowly rising. Beyond a point, high duties would throw a protective ring around domestic producers. This could hurt their ability to compete globally, stunt innovation and leave them less agile as businesses.

It's true, however, that globalization is not exactly thriving. America's trade war with China has upended international supply chains, stymied global commerce in other ways, and prompted the International Monetary Fund to cut its global growth forecast for 2019 to 3.3% in April from 3.5% predicted in January. India's economic interests would be better served if it focused on plugging supply-chain gaps, replacing Chinese goods to the US and other export destinations.

Nearly three decades after India began to integrate its economy with the world's, the country remains a net importer. New risks are on the horizon, too. Geo-political tensions could worsen, given the US-Iran standoff, and raise India's oil import bill. We should stay the course on globalization and aim for an export boost.

Source: livemint.com- June 17, 2019

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GST return filing: These are the major changes in the process from July

Large taxpayers will continue to file the GSTR-3B during the months of October and November 2019, after which they will have to start filing FORM GST RET-01.

As proposed by the GST Council, a trial run of the new return filing mechanism called the GST 2.0 is expected to be launched starting July 2019. A full scale launch is likely to begin in a phased manner starting October 2019. Under the new return system there is one basic return and 2 annexures.

FORM GST RET-1 this return form has details of the supplies made. To be filed monthly (Small taxpayers with annual turnover upto Rs 5 crore, will have the option to file returns quarterly.)

Annexures
FORM GST ANX-1 - has details of all outward supplies, inward supplies on a reverse charge basis and import of goods and services to be reported invoice-wise (except for B2C supplies) on a real-time basis.

FORM GST ANX-2 - has details of inward supplies. Recipient can accept or reject these documents, or mark them as pending, for action to be taken later.

Tax will need to be paid on a monthly basis by all taxpayers.

Key Changes
• Uploading of invoices on an ongoing basis and accept/reject by buyer - One of the key changes is the mechanism to upload invoices in real-time by a supplier, which will be available for the buyer to view simultaneously and take action on in FORM GST ANX-2. The invoices can be marked as accepted or rejected by the buyer, or the same can be kept pending for action to be taken at a later date.

• Provisional credit - In the event a supplier does not upload invoices or file his return, there will be a mechanism for availing input tax credit by the recipient on a provisional basis. The credit available in such cases would not be more than 20% of the specified value. There is no provisional credit allowed in the current system.
• Amendment returns - The new return system will have a provision to file two amendment returns for each tax period. The old system did not allow this and the only option available to taxpayers was to amend certain details in the GST return of the following period. Now, as an amendment return can be filed for the same tax period, interest on the amended tax liability may be avoided or reduced.

The differences between the two return filing systems can be seen below

Topic	GST 2.0	Old Return-filing System
Types of Returns	**Normal Returns RET-1** - For taxpayers with turnover above Rs 5 crores in the previous FY **FORM GST ANX-1** - has details of all outward supplies, inward supplies on a reverse charge basis and import of goods and services to be reported invoice-wise (except for B2C supplies) on a real-time basis. **FORM GST ANX-2** - has details of inward supplies. Recipient can accept or reject these documents, or mark them as pending, for action to be taken later.	**GSTR-1/3B** - For all normal taxpayers under GST **GSTR-4** - For composition dealers **GSTR-5/5A** - For non-resident taxpayers/ taxpayers providing OIDAR services **GSTR-6** - For input service distributors **GSTR-7** - Authorities deducting TDS **GSTR-9/9A/9B** - Annual Return
Small Taxpayers	Taxpayers considered small if turnover is up to Rs 5 crore	Taxpayers considered small if turnover is up to Rs 1.5 crore

Payment of tax	Tax liability to be paid in full every month, even if the taxpayer has opted for quarterly filing of returns	Tax liability to be paid in full every month while filing GSTR-3B

E-commerce Operators	E-commerce operators have to file **Normal** Returns	Separate return **GSTR-8** to be filed

Mechanism of filing returns	Facility for the continuous uploading and viewing of invoices on a real-time basis	Invoices can be uploaded only once while filing the return of outward supplies, and can be viewed after that
	Input tax credit can be claimed based only on details uploaded by the supplier, with an option to declare up to 20% of such ITC where the supplier has not filed his return/declared ITC (the supplier has to file the same within two tax periods)	Input tax credit can be claimed on self-declaration basis
	Missing invoices/amendments can be reported in the main return for any tax period with interest or penalty as applicable (with a delay of up to two tax periods for	Missing invoices/amendments can only be amended in the return of the next period
Other differences	Only one return to be filed by taxpayers for each tax period	Two returns to be filed for all normal taxpayers for each tax period
	Option to file Nil Return by SMS for the entire quarter in case of no transactions	Nil returns had to be filed under GSTR-1 and GSTR-3B on the portal only

Timeline of changes

From July 2019

The new return system will be implemented on a trial basis where a supplier will be able to upload invoices using the FORM GST ANX-1, and the recipient will be able to view and download the invoices of inward supply.

July to September 2019
Trial period where users can make themselves familiar with the annexure forms GST ANX-1 and GST ANX-2, and will continue to file GSTR-1 and GSTR-3B.

From October 2019

FORM GST ANX-1 will be made compulsory to be filed by large taxpayers (annual turnover more than Rs. 5 Crore), and it will replace the GSTR-1 return entirely. For small taxpayers, FORM GST ANX-1 will be implemented from January 2020, which will be for the quarter October to December, 2019.

Large taxpayers will continue to file the GSTR-3B during the months of October and November 2019, after which they will have to have to start filing FORM GST RET-01, the main return in the new return system, which will need to be filed by the 20th of January 2020.

In the case of small taxpayers, they will need to stop filing GSTR-3B and start filing FORM GST PMT-08 from the month of October 2019, which will be the form for self-declaration of taxes and the payment of the same. The plan is to phase out GSTR-3B from January 2020 onwards, by which all taxpayers shall be filing FORM GST RET-01.

Source: economictimes.com- June 17, 2019

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Aditya Birla Fashion collaborates with Intellecap for 'Circular Apparel Innovation Factory'

Aditya Birla Fashion and Retail Ltd (ABFRL) are joining a unique and pioneering industry-led platform, 'Circular Apparel Innovation Factory' (CAIF) in collaboration with Intellecap.

CAIF is India's first industry-led platform, aiming to build a circular apparel and textile industry in India. Its mission is to search, seed, support, and scale circular textile and apparel innovations in India by building an enabling ecosystem of brands, manufacturers, enterprises, and innovators across the value chain.

Through the association, ABFRL will be demonstrating its commitment to shift the industry from its current 'take-make-dispose' approach, to one that encourages the use of sustainable material, maximize utilization of clothing & textile and thereby promote recycling. These initiatives will help ABFRL retain its focus on creating significant social impact.

"We are pleased to partner with Intellecap to accelerate sustainable fashion concept through CAIF to build industry level platform for circular textile eco-system. We intend to bring forth ideas and innovation to add more strength to our pioneering work around sustainability. The association with Intellecap will help us create, collaborate and mainstream the conversation around circular economy and sustainable fashion", said Ashish Dikshit, Managing Director, Aditya Birla Fashion and Retail Ltd.

In 2013, ABFRL began its sustainability journey titled 'ReEarth', a unique sustainability program. ReEarth addresses the most significant economic, environmental and social impact that humanity faces and the progress ABFRL has made so far in our sustainability journey. Driving ReEarth, is a core commitment, that as an organization we should give back to the planet what we have taken over the years.

"ABFRL is a marquee name in Fashion and Lifestyle, and its partnership with CAIF would help foster an ecosystem wherein not only ABFRL, but the larger industry could potentially be recognized as the global innovators in circular fashion", said Vikas Bali, CEO, Intellecap.

"Intellecap through CAIF is here to Co-create innovative solutions and business models that will help brands create solutions for a more circular apparel economy through prototyping and testing", he added.

As a part of the partnership, ABFRL will support a number of CAIF initiatives such as industry convening to discuss opportunities for circularity, as well as undertake specific pilots on identified initiatives, and launch brands specific challenges to identify and adopt innovations.

"Sustainability will be at the centre of innovation in the fashion industry in the coming decade and while tools and technologies will change, it will be the intellectual capital that will hold ABFRL in good stead. In continuation with our philosophy, we are partnering with Intellecap to build a positive impact for our businesses", said Dr Naresh Tyagi, Chief Sustainability Officer, Aditya Birla Fashion and Retail Ltd.

"With ABFRL as our first corporate anchor partner, we are laying the foundation of making CAIF India's first industry-led collaboration and innovation platform to create pathways for a more circular and sustainable textile and apparel industry. We are happy to see India's apparel and textile ecosystem joining forces under the umbrella of CAIF to identify opportunities for innovation and collaboration, drive implementation on the ground, together work on removing scaling barriers, and drive collective action", said Stefanie Bauer-Vemuri, Director, Circular Apparel Innovation Factory.

Intellecap, supported by the DOEN Foundation launched the Circular Apparel Innovation Factory (CAIF) in 2018, as a neutral industry platform that drives the circular fashion agenda.

CAIF's role in transforming the industry is centered on four key pillars:

* The first, to act as innovation engine for brands and value chain stakeholders, helping them to identify opportunities, test new solutions, and broker high impact partnerships.

* The second, building on CAIF's role as an innovation engine, is to facilitate action by driving experimentation and action on the ground.

* Further, through its market building role, CAIF aims to remove existing scaling barriers and catalyze the creation of an enabling environment that enables circular innovations to scale.

* And lastly, as industry convener, CAIF accelerates the speed of innovation, creates opportunities for collaboration and shapes the conversation around circular apparel and textiles.

ABFRL, CAIF and its network of innovators and other value chain stakeholders will hugely benefit from these practices.

Source: business-standard.com- June 17, 2019

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Indo-US trade tiff weighs on rupee; domestic currency logs 3rd straight loss

The Indian rupee Monday fell by another 11 paise to close at 69.91 to the US currency, its third straight-session loss, in line with intense sell-offs in domestic equities amid concerns over Indo-US trade tariff disagreements. The domestic currency has lost 57 paise in the last three sessions. However, easing crude oil prices and weakening of the US dollar against key rivals helped the Indian rupee contain losses to some extent.

At the interbank foreign exchange (forex) market on Monday, the domestic currency opened higher at 69.87 a dollar but lost ground during the day to fall to 69.94. The rupee finally settled at 69.91, down 11 paise over its previous close. The Indian unit had settled at 69.80 a dollar on Friday. "The rupee fell against the US dollar taking cue from other weak Asian currencies and widening Indian trade deficit for a third consecutive month," said V K Sharma, Head-PCG & Capital Market Strategy, HDFC Securities.

Sharma further said market participants are waiting for the monetary policy of Federal Open Market Committee (FOMC), Bank of England and Bank of Japan, scheduled this week. Moreover, expectations of foreign fund outflows due to weak investor sentiment in equity market have also weighed on the rupee trading. Brent crude futures, the global oil benchmark, eased 1.05 per cent to USD 61.36 per barrel.

The dollar index, which gauges the greenback's strength against a basket of six currencies, fell 0.04 per cent to 97.53. Meanwhile, the 10-year government bond yield was at 6.93 per cent Monday. Foreign institutional investors (FIIs) remained net sellers in the capital markets, pulling out Rs 238.64 crore Friday, provisional data showed. On Monday, the BSE Sensex tanked over 491 points and the NSE Nifty dived over 151 points.

Meanwhile, Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/dollar at 69.5646 and for rupee/euro at 78.4308. The reference rate for rupee/British pound was fixed at 88.1986 and for rupee/100 Japanese yen at 64.23.

Source: financialexpress.com- June 17, 2019

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Australia's Cotton On launches online in India with online store on Myntra

Australia's largest fashion retailer, Cotton On Group, has just launched in India's buoyant online market. Thanks to an exclusive deal with e-commerce platform Myntra, the Australian retailer –which owns eight brands covering clothing and accessories – has made available its Cotton On and Rubi labels. The rest will be available next year, reports Indian media 'Livemint'.

In a recent communication the Cotton On Group explained that after their digital launch in India in April, they now plan to launch its own online and offline stores over the next two years.

Sumanto Das, co-founder of Singapore-based AVS Global Network which manages the firm, is leading this new venture. Das explained in an interview with 'Livemint' this weekend that the launch of Cotton On Group in India was inspired by the fact that there has been a majority of American and European brands in the Indian retail space.

"With the advent of style categories such as streetwear, sportswear and athleisure, there is a huge demand for fresh fashion, and that's what Cotton On is known for," explained Das.

Das believes this strategy is better for a rapidly-growing community of online shoppers: “India, China and other South-East Asian countries are increasingly buying apparel online, compared to other Western markets.”

adds Das. In this regard, it’s worth remembering that the Australian apparel group has been aggressively expanding its footprint over the past five years, especially in the U.S., where it operates about 121 stores.

Source: fashionunited.in- June 17, 2019

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