TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL
TEXPROCIL NEWS CLIPPINGS
An ISO 9001:2015 CERTIFIED COMPANY

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 14 of 2019 January 19, 2019

USD 71.26| EUR 81.03 | GBP 91.80 | JPY 0.65

Cotton Market (18-01-2019)		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20832	42600	**76.25**
Domestic Futures Price (Ex. Warehouse Rajkot), January		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20890	43660	**78.15**

International Futures Price	
NY ICE USD Cents/lb (March 2019)	74.37
ZCE Cotton: Yuan/MT (May 2019)	15,220
ZCE Cotton: USD Cents/lb	**101.88**
Cotlook A Index – Physical	**82.90**

Cotton Guide: We finally saw ICE March breach 74 cents/lb and settling at 74.37 Cents/lb yesterday with a change of +110 points. The other ICE nearby contracts also settled with triple digit gains with gains of +112 and +108 at 75.66 and 76.79 for ICE May and July contracts respectively. The other ICE contracts also ended with modest gains. This figure of 74 cents/lb was last seen almost a month ago on December 21, 2018 which is a 28 day high.

On the MCX front, the contracts ended with negative settlement figures. January MCX contract settled at 20890 with a change of (-50), MCX February contract settled at 21170 with a decline of (-30). The March and April MCX contracts ended at 21400 and 21690 Rs/Bale with negative changes of (-40) and (-20) respectively. The Volume increased by +566 lots to 2020 whereas the total OI decreased by (-173) to 7021 lots.

Arrival figures in India are estimated to be 131,500 lint equivalent bales (source Cotlook). Shankar 6 was able to exchange hands at a lower price of 42,600 Rs/Candy, whereas Punjab J-34 was available at 4,400 Rs/Maund. Cotlook Index A was adjusted positively to 82.90 CFR main Far Eastern Ports i.e +100 points.

Yesterday there was news about lifting some or all tariffs imposed on Chinese imports and offering a tariff rollback during trade discussions scheduled for Jan. 30. This was a major reason why all the stocks and commodities rallied. Major US Indexes were up yesterday thus giving a rise to cotton prices. At the close in NYSE, the Dow Jones Industrial Average rose 0.67% to hit a new 1-month high, while the S&P 500 index gained 0.76%, and the NASDAQ Composite index gained 0.71%.

ICE cotton Futures moved above the 74.00 mark after this week's consolidation range of 71.50-73.80. In the daily charts prices made a bullish engulfing pattern, accompanied with the RSI reversing from the oversold zone towards the 50 mark suggest a short term pullback in the price towards 74.50. A move above 74.50 would push price further towards 75.35, followed by 76.20 levels. However failure to sustain above 70.50 will resume the downtrend. From the above we expect prices to trade in the range of 71.90-75.35 with sideways to positive bias. Above 75.35, 76.20 and 77.40 exits as immediate resistance levels. In the domestic markets trading range for Jan future will be 20750-21180 Rs/Bale.

Currency Guide

Indian rupee may see some gains against the US dollar however upside is limited. Rupee may benefit from firmness in Asian equity markets amid hopes of US-China trade deal. The Wall Street Journal reported that Trump administration officials are considering measures to roll back tariffs on Chinese products in order to calm financial markets, a report the Treasury Department quickly denied. Also supporting rupee is RBI's measures to ease borrowing norms. As per reports, RBI has issued revised regulations for external commercial borrowings (ECB) to allow all eligible borrowers to raise overseas loans up to $750 million or equivalent per financial year under the automatic route. RBI also expanded the list of eligible borrowers. Choppiness in crude oil price has also helped rupee recover from the lows. Brent crude has been trading mixed near $61 per barrel as support from OPEC's production cuts is countered by record high US output. However, weighing on rupee is global concerns about US government shutdown, Brexit uncertainty and Chinese economic slowdown. Subdued domestic growth and uncertainty ahead of general elections has also dented outlook for Indian currency. Rupee has fallen sharply in last few days and we are expecting some recovery on back of gains in equity market. USDINR may trade in a range of 70.7-71.3 and bias may be on the downside.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS	
No	Topics
1	China Is Said to Offer Path to End US Trade Imbalance
2	Brazil's 2018-19 cotton crop to make new record: CEPEA
3	Egypt emerges a major sourcing hub, Ethiopia to follow
4	Pakistan’s textile industry receiving higher import queries from US
5	Textile show Colombiatex in Brazil next week
6	Vietnam: Garment and textile sector expect huge challenge
7	Industry ministry announces establishment of largest textile city in Egypt
8	Pakistan: Buying picks up on cotton market
9	New technique can insert metals into 'smart' fabrics

NATIONAL NEWS	
1	Only 5% MSMEs have fully embraced digital technology, says Yes Bank survey
2	Aditya Birla Group to invest Rs 15,000 cr in Gujarat over 3 years
3	Volatility in crude oil prices pinches synthetic textile manufacturers
4	Farmer producer organisation from Gujarat makes first cotton deposit on MCX
5	GTTES 2019 trade show is being held in Mumbai to promote textile economic growth
6	Ficci calls for housing scheme focused on garment workers, especially women
7	Arvind to adopt sustainable dyeing technologies in its units across India

INTERNATIONAL NEWS

China Is Said to Offer Path to End US Trade Imbalance

China has offered to go on a six-year buying spree to ramp up imports from the U.S., in a move that would reconfigure the relationship between the world's two largest economies, according to officials familiar with the negotiations.

By increasing goods imports from the U.S. by a combined value of more than $1 trillion over that period, China would seek to reduce its trade surplus—which last year stood at $323 billion—to zero by 2024, one of the people said. The officials asked not to be named as the discussions aren't public.

The offer, made during talks in Beijing earlier this month, was met with skepticism by U.S. negotiators who nonetheless asked the Chinese to do even better, demanding that the imbalance be cleared in the next two years, the people said. Economists who've studied the trade relationship argue it would be hard to eliminate the gap, which they say is sustained in large part by U.S. demand for Chinese products.

U.S. stocks extended gains and the dollar rose following the news. The S&P 500 Index rallied, climbing 1.2 percent by 11:31 a.m. and heading for its fourth weekly increase, while the dollar traded at session highs.

Trade offers

It's not the first time China has made an offer to reduce the deficit as a way of trying to break the deadlock between the sides which has darkened the global economic outlook and roiled financial markets since last year.

In May, Trump scrapped a framework for a deal negotiated by Treasury Secretary Steven Mnuchin that would have seen China "significantly" increase purchases of U.S. goods.

By agreeing to buy more goods from the U.S., China may just shift its trade surplus toward other trading partners, said Tom Orlik, the chief economist for Bloomberg Economics.

"If China switches its imports from other countries to the U.S.—less Brazilian soybeans, more U.S. soybeans—that might help deal with their bilateral problem with the U.S., but at the expense of worsening imbalances with other countries," he said.

Additionally, the types of products that China offers to buy more of could matter more than the overall target for a dollar amount, Orlik said. Airplanes, soybeans and automobiles were among China's top U.S. imports last year.

"Over the years, China has used the offer of purchasing more technologies with national security applications as a gambit in trade negotiations," said Orlik. "That's always been unacceptable to the U.S. because of the strategic costs."

Decisions pending

No decisions were finalized in the latest Beijing talks and discussions are set to continue at the end of January, when Chinese Vice Premier Liu He is scheduled to travel to Washington.

The U.S. will miss an opportunity for discussions with its trading partners after President Donald Trump canceled his trip and the U.S. delegation's visit to the World Economic Forum in Davos next week amid the partial government shutdown.

While no official plans were disclosed for U.S.-China negotiations at Davos, Chinese Vice President Wang Qishan is due to attend the gathering.

There's no clear sign that such an offer would now have a greater chance of success or even if it is practically feasible. U.S. negotiators are also focused on matters including China's alleged intellectual-property malpractices and state support of industry, disputes that are much harder to bridge.

The Americans' major sticking points were more prominent issues than China's import plans during the latest round of talks in Beijing, one of the people said.

Import values

The offer implies raising the annual import total from $155 billion to around $200 billion in 2019 and in increasing steps thereafter, reaching an annual total of about $600 billion by 2024, one of the people said.

The Commerce Ministry in Beijing didn't immediately respond to request for comment on the negotiation details. The office of the U.S. Trade Representative didn't immediately respond to a request for comment.

Source: sourcingjournal.com- Jan 18, 2019

HOME

****

Brazil's 2018-19 cotton crop to make new record: CEPEA

The 2018-19 Brazilian cotton crop may once again hit a record in terms of production, boosted by increase in crop area, according to Center for Advanced Studies on Applied Economics (CEPEA).

The area under cotton has increased due to higher profitability of cotton compared to other crops and to the favourable scenario for anticipated contracts.

As a result, for the second year in a row, Brazil would be the fourth largest cotton producer in the world. In terms of exports, if it surpasses India, it may be the second biggest exporter, only after the United States.

Meanwhile, data from the Secretariat of Foreign Trade (SECEX) indicates that 670,300 tons of cotton was exported in the last five months of 2018.

In December 2018 alone, the monthly volume hit the record of 214,600 tons. If the current phase continues, total volume of cotton exported till July 2019 may surpass 2017-18 domestic surplus of 1.3 million tons.

The area under cotton has risen by 23.2 per cent, as per estimates of Brazil's National Supply Company (CONAB). Even if the yield decreases 4.4 per cent to 1,633 kilos per hectare, total cotton production would be 2.364 million tons, i.e. 17.8 per cent more than the previous season.

Conab forecasts domestic consumption to increase by 7.1 per cent over 2017-18 crop to 750,000 tons in 2018-19, the highest in three seasons. As a result, for 2018-19, Conab estimates a total supply (initial stocks + production + imports) of 2.99 million tons and total demand (domestic consumption + exports) of 2.2 million tons. Therefore, ending inventories would be 859,900 tons.

The 2018-19 harvest would be available in market from August 2019 onwards, and would meet the demand until July 2020. For this period, the domestic surplus would total 1.6 million tons, a new record.

Source: fibre2fashion.com - Jan 18, 2019

HOME

****

Egypt emerges a major sourcing hub, Ethiopia to follow

Rising labor costs in East Asia and tax-free access to the US market is encouraging Asian textile and garment manufacturers and Western buyers to turn to Egypt.

China is planning to move 20 per cent of its production to Egypt either by setting up shop, through mergers or full acquisitions of local companies. The US-China trade war is also pushing Chinese manufacturers to look for new hubs to avoid potential tariffs of 25 percent into the US.

QIZ enables duty-free export of garments to Egypt

The Qualifying Industrial Zones (QIZ) program allows Egyptian manufacturers to export garments to the US duty-free, if at least 10.5 percent of raw materials used in the garment are Israeli.

As the Readymade Garment Export Council of Egypt notes, these zones, established by the US Congress in 1996, have generated over $8.6bn in exports since 2004.

The scheme has also raised concerns among Egyptians who reject normalisation of relations with Israel and specifically Egypt emerges a major sourcing hub Ethiopia to follow 002protested against QIZs during the 2011 uprisings.

Last year, exports from the QIZs were worth $752.7 million while in the first half of 2018, exports to the US grew by 25 per cent, according to QIZ Egypt figures. QIZ exports account for 46.7 percent of Egypt's total exports to the US.

Egypt wants to bolster the current garment and textile exports, roughly split between the EU and US, to $10 billion by 2025. If this figure is achieved, around $5 billion or more would be destined for the US, significantly increasing the amount Israel will net through the QIZ agreement.

Chinese firms will also benefit from the QIZ agreement, and directly bolster Israeli exports. Such an uptick in exports is considered probable given the historical trajectory of other garment manufacturers to reach over $5bn in annual exports.

A major sourcing hub for Chinese companies

China has invested around $6 billion in Egypt over the past four years, while $18 billion in deals were signed with Chinese companies during President Abdel Fattah al-Sisi's visit to Beijing in September, including railway, real estate and energy projects.

Chinese businessmen see Egypt as a major sourcing hub for Chinese companies as they expect up to 50 per cent of Chinese production to relocate.

On its part, to attract foreign investment, Egypt has established a new industrial city in New Suez, slated to open at the end of the year, and allocated 1.2 million sq. mt. of land in the industrial zone of El Minya in Upper Egypt. Foreign companies can employ up to 25 per cent non-Egyptian workers.

Egyptian companies may feel the squeeze by Ethiopia

A particular growth driver of Egypt's garment exports is the expansion of Hong Kong-based Li & Fung, the world's leading supply chain solutions partner which connects buyers, retailers and suppliers for consumer brands and retailers, in the country.

Currently, out of the $16 billion in volume and five billion pieces of clothing that Li & Fung sourced globally last year, just $30 million – or 1.62 million pieces - were from Egypt.

By 2019, Li & Fung wants to double that figure, and by 2022 aims to source $90m from Egypt.

Yet while Egypt offers favorable investment terms to foreign companies - Turkish and South Korean firms are already established at QIZs– Egyptian companies may feel the squeeze in future as Ethiopia offers free land and low wages and electricity.

Besides, the country also has an FTA with the USA.

Source: fashionatingworld.com- Jan 18, 2019

HOME

****

Pakistan’s textile industry receiving higher import queries from US

According to the official, the current administration was working upon rationalizing subsidies for agricultural crops in hopes of enhancing cotton cultivation

Pakistan is likely to be the beneficiary of the prolonged trade war between the US and China, as the country’s textile industry is likely to receive higher orders from US importers.

According to an official of the textile industry, due to ongoing trade tensions between the US and China, Pakistan’s textile industry is getting a huge amount of import queries from the US, reports an English daily.

Earlier this week, the Economic Coordination Committee (ECC) had exempted duties on the import of cotton, a major input for the textile industry to help decrease the cost of industrial outputs.

In September last year, the government had reduced the regulatory duty on the import of cotton yarn from 10% to 5%.

Also, it had reduced the gas and electricity tariffs for the export concentrated industry in an effort to decrease the production cost and improve competitiveness.

The textile sector is being supplied electricity at a tariff of 7.5 cents per Kilowatt-hour (KWh), natural gas at Rs600 per unit and imported regasified liquefied natural gas (RLNG) at $6.5 per unit.

Due to these government incentives have helped bring down the production cost for the textile value chain.

The country has remained a net importer of cotton for around two decades and the local production of the commodity hit its peak in the last decade at 13.96 million bales in 2014-15 and in that year 1 million bales were imported.

During the current financial year 2018-19, the country is anticipated to experience a deficit of 3-4 million bales with production projected at 10.738 million bales against the initial target of 14.37 million bales.

In July 2018, the caretaker administration had slapped high duties and taxes of up to 10% including 3% customs duty, 2% additional duty and 5% sales tax which contributed to a sharp plunge in cotton imports.

According to the official, the current administration was working upon rationalizing subsidies for agricultural crops in hopes of enhancing cotton cultivation.

Moreover, the government is working in conjunction with the cotton ginning industry to decrease contamination, enhance productivity and upgrade the machinery.

Source: profit.pakistantoday.com.pk- Jan 18, 2019

HOME

****

Textile show Colombiatex in Brazil next week

Colombiatex will be held in Brazil from January 22 to 24, 2019. This is Latin America's most important textile show.

In addition to offering apparel fabrics and inputs, companies introduce technological developments in machinery for faster productive processes in cutting and apparel-making, automation, design and energy efficient equipment.

Nearly 40 companies in the Brazilian textile industry will launch innovations. Colombiatex will showcase advances and technologies in Brazilan in textile and apparel production.

One of the main attractions will be a virtual expo on Brazil's Industry 4.0 and a virtual reality experience of a model Industry 4.0 plant, highlighting the country and the importance of its industry.

During this visit, which will be led by Brazilian specialists, visitors can also access a virtual mirror. The device uses a camera to take body measurements, with the person then choosing the model and the print.

Visitors will be shown trends for 2019 and new developments, using fashion shows. The collection brings together inputs from Brazilian companies, filled with color and design, representing the charm and evolution of Brazilian fashion.

Brazil is a reference point in the machinery and equipment sector for the textile industry in Latin America in terms of quality, technology and competitiveness.

Source: fashionatingworld.com- Jan 18, 2019

HOME

****

Vietnam: Garment and textile sector expect huge challenge

The garment and textile sector was forecast to suffer the most from goods origin regulations under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), said Bùi Kim Thùy, the country representative for Việt Nam at the US-ASEAN Business Council.

The CPTPP, which took effect in Việt Nam earlier this week, is expected to bring huge opportunities and also challenges to Việt Nam. However, materials for the garment and textile sector may still prove a headache.

"Everyone said with the CPTPP, the textile and garment industry would benefit the most, but if there is no appropriate support, opportunities could turn into challenges," said Trương Văn Cẩm, vice chairman of the Việt Nam Textile and Apparel Association.

The country's garment and textile sector claimed second position in the world in terms of export turnover with US$36.1 billion in 2018. However, Việt Nam had to import around 80 per cent of its materials for production. The heavy demand on imported material had become a serious problem for the industry, Cẩm said.

Currently, Việt Nam has to import up to 99 per cent of cotton, 70 per cent of fibre and 80 per cent of fabric from foreign countries. The biggest shortcoming, according to the vice chairman, is that only 10 per cent of fabric is imported from Japan and countries that are part of the CPTPP.

The biggest bottleneck is that Việt Nam has been unable to produce fabrics for export.

Nguyễn Sơn, vice chairman of Việt Nam Cotton and Spinning Association, said in order to build supply chains for the textile and garment industries, South Korea and China had developed effective industrial park models.

Association needed

Việt Nam is in the top three biggest exporters of garments and textiles in the world following China and India. The country has an abundant labour force and golden population period. The sector has attracted $17.5 billion in foreign direct investment so far.

Cẩm said to take advantage of the opportunities from the CPTPP, Vietnamese firms should gain a deeper understanding of the sector, their advantages and markets in the CPTPP.

In order to solve the bottleneck, strong enterprises must work together with local authorities. The Government needs to develop policies for the next 10 to 15 years to take advantage of this agreement.

Source: vietnamnews.vn- Jan 19, 2019

HOME

****

Industry ministry announces establishment of largest textile city in Egypt

The Minister of Trade and Industry, Amr Nassar, announced the establishment of the largest textile and garments city in Egypt on an area of 3.11m sqm in Sadat City, which includes 592 factories.

Nassar noted that the new city is one of the major projects to be organised in Egypt, according to the latest technologies in the spinning and textile industry, which is being operated by the Chinese company, Ningxia Mankai Investment Company.

Furthermore, the Armed Forces Engineering Authority has completed about 50% of the construction work in the first phase of the city over 600,000 sqm, and it includes 150 factories at a total cost of construction work estimated at EGP 2.1bn, detailed the minister.

Moreover, the minister elaborated that it is planned to start the experimental operation of some factories of the first phase in May, with the completion of all operating work by the end of this year.

The project includes three phases and will be developed over four years.

Nassar expounded that the Chinese company has signed initial sales contracts for 48 factories in the first phase for Chinese companies, and is negotiating with more than 60 Chinese investors to sell other factories in the second phase.

Source: menafn.com - Jan 18, 2019

HOME

****

Pakistan: Buying picks up on cotton market

Small spinners were seen actively replenishing their stocks at prevailing prices which helped generate some trading activity on the cotton market on Thursday.

However, the overall sentiments were subdued owing to big buyers' cautious approach.

Large textile spinning groups appear to have decided to import cotton. The stockpiling of cotton and cotton yarn by ginners and spinners, respectively is also depressing market.

On the global front, major markets remained mixed to easy.

The recommended cotton targets could be easily achieved for next crop as, during this season, cotton growers had earned good money.

Given proper incentives by the government, coupled with strict prohibition of sugarcane cultivation on cotton growing areas, the high target of 15 million bales could be achieved.

The Karachi Cotton Association spot rates were firm at overnight level at Rs8,700 per maund.

The following deals were reported to have changed hands on ready counter: 200 bales from Khairpur were done at Rs8,000; 800 bales, Alipur, at Rs8,900; 200 bales, Sadiqabad, at Rs8,850; 400 bales, Hasilpur, at Rs8,000; 1,800 bales, Haroonabad, at Rs6,400-7,900; 200 bales, Vehari, at Rs6,400 and 200 bales from Burewala were done at Rs6,400.

Source: dawn.com - Jan 18, 2019

HOME

****

New technique can insert metals into 'smart' fabrics

Scientists have devised an innovative technique that could be used to incorporate batteries, wireless devices and sensors into fabrics like paper and cotton textiles.

The researchers from Imperial College London in the UK used the technique to print metals such as silver, gold and platinum onto fabrics.

Ultimately these technologies could be used for new classes of low-cost medical diagnostic tools, wirelessly powered sticker-sensors to measure air pollution or clothing with health monitoring capabilities, they said.

Metals have been printed onto fabrics, but until now the process has essentially coated the fabric with plastic which renders the fabric waterproof and brittle.

Described in the journal Advanced Functional Materials, the approach would allow metal inks to cover entire fibres rather than simply coating the surface of the fabric.

"Fabrics are ubiquitous and some forms such as paper, are ancient. With this new method of metallising fabrics it will be possible to create new classes of advanced applications," said Max Grell, a PhD candidate at Imperial College London.

To coat the fibres, the researchers first covered them in microscopic particles of silicon, and then submerged the material into a solution containing metal ions.

This preparatory process, known as SIAM, allows metals to 'grow' throughout the material as the ions are deposited on the silicon particles.

This approach coats metal throughout the fabric, allowing paper and textiles to maintain their ability to absorb water and their flexibility alongside providing a large metallic surface.

These properties are important to the functioning of many advanced technologies, particularly sensors and batteries, where ions in solution must interact with electrons in metals.

The team dropped the silicon ink by hand onto the fabrics, but the process could be scaled up and performed by large conventional printers.

The researchers demonstrated its ability to fabricate the elements required for a number of examples of advanced technologies.

The team also used the method to deposit silver onto paper and then added zinc onto the same paper to form a battery.

The new approach was also used to produce a range of sensors. This included a paper-based sensor to detect the genetic indicators of a disease that is fatal to grass-eating animals and associated with Crohn's disease in humans.

According to the researchers, sensors fabricated within natural fabrics would be cheaper, easy to store and transport, and ultimately could be used in clothing that monitors health.

"We chose applications from a range of different areas to show how versatile and enabling this approach could be," said Grell.

"It involved a lot of collaboration and we hope we have demonstrated the potential of this method so people who specialise in different areas can then develop these applications," he said.

Source: business-standard.com- Jan 18, 2019

HOME

****

NATIONAL NEWS

Only 5% MSMEs have fully embraced digital technology, says Yes Bank survey

Digital adoption among micro, small and medium enterprises (MSME) is still a long way to go as only 5% out of the 2,700 MSMEs, surveyed by the private sector lender Yes Bank, have fully embraced digital adoption.

The full-scale technology adoption, according to the survey, includes the use of cloud services, ERP, CRM, account management software, digital banking etc.

Lack of understanding in choosing the right technology solution and low impact on overall profitability are among the key challenges in adoption of technologies followed by lack of skilled manpower to operate technology, lack of trust in technology, and the high cost of equipments.

While 63% of the MSME surveyed said that they are going digital, only 50% perceive profitability and operational efficiency as benefits of going digital and over 80% of all digitized MSMEs indicated overall positive digital experiences, the survey said.

"The macro business environment that MSMEs are operating under is undergoing a transition. Digitisation is becoming increasingly vital for long term survival and future growth," said Sumit Gupta, senior group president – mid-segment, multinational corporate banking, government banking, agribusiness & knowledge, Yes Bank.

MSMEs in sectors including IT & ITeS, food processing, engineering, manufacturing, healthcare and pharmaceuticals have high levels of digital adoption, the survey found.

Getting a competitive advantage and increase in productivity are among the key reasons for the adoption among 60% of businesses using advanced technologies.

Interestingly, 56% of respondents believe that the government is doing enough to boost technology adoption among MSMEs. However, around 60% feel that tax incentives and subsidized loans for purchasing equipment would help in better adoption of technology.

Further, the survey says that 51% MSMEs have so far availed digital banking services, using largely internet and mobile banking services followed by digital wallets, payment solutions, and online bill payments.

The survey made key recommendations focusing on a Skill India program for MSMEs to improve their technology know-how, a centralized MSME support centre for services such as finance, HR, marketing etc, building awareness around ICT solutions and government schemes, training programs in association with academia over educating MSMEs to form a basic digital footprint etc.

The survey covered 20 industries including manufacturing, textiles, engineering, healthcare, IT & ITeS, food processing, printing, electronics etc.

Source: financialexpress.com- Jan 18, 2019

HOME

****

Aditya Birla Group to invest Rs 15,000 cr in Gujarat over 3 years

The group will be making these investments in various business segments ranging from textiles and chemicals to mining and minerals.

Aditya Birla Group plans to invest Rs 15,000 crore in Gujarat over the next three years on capacity expansion and setting up of new units, its Chairman Kumar Mangalam Birla on Friday said.

The group will be making these investments in various business segments ranging from textiles and chemicals to mining and minerals.

Speaking here at the Vibrant Gujarat Global Summit, Birla said, up until now the group's investments in Gujarat "are of over Rs 30,000 crore and counting".

"We have plans to invest about Rs 15,000 crore more. This is towards expansion of our capacities, setting up of new plants," he said.

Elaborating the investment plans, he said, "Amongst our major expansion is with Grasim viscose staple fibre plant at Vilayat and Indian Rayon viscose filament yarn plant at Veraval. These will entail investments of Rs 7,500 crore."

The group currently has 15 manufacturing plants providing employment to around 26,000 people.

He said the investments on expanding group firm Grasim's chemical business will be around Rs 1,000 crore.
"About Rs 1,000 crore allocated for the mining and mineral sector and solar power," Birla added.

Moreover, the group is also increasing investment in green technologies at all of its plants as part of environmental friendly measures as part of the new investments planned, he added.

"All of these investments together run up to Rs 15,000 over a three year period," Birla said.

Source: moneycontrol.com- Jan 18, 2019

HOME

****

Volatility in crude oil prices pinches synthetic textile manufacturers

Raw material buyers in the synthetic textile industry disappeared from the market amid expectations of a further fall in prices

Volatility in crude oil prices has hit synthetic textile manufacturers hard, with a frequent change in buying behaviour observed for both the raw material and finished products segments.

When crude prices hit their highest levels in 2018 at $86 a barrel (on October 3), raw material buyers placed massive orders steadily to build their pipeline inventory before any further rise.

However, the entire sentiment saw a reversal in two months, when crude oil prices slipped to trade at $49.73 a barrel (on December 24).

Raw material buyers in the synthetic textile industry disappeared from the market amid expectations of a further fall in prices.

Ironically, crude oil prices bounced back to trade at $59.74 a barrel on Wednesday, around 20 per cent from its December low.

The sudden spurt in prices prompted producers of man-made fibre and synthetic yarn manufacturers to start placing orders again.

Man-made fibres and yarns are made from petrochemicals, which are derivatives of crude oil. Their prices follow the movement in crude oil prices.

A steady crude oil price trend is good for the synthetic textile industry. Raw material purchasers had deferred their purchase orders on expectations of a further decline in crude oil prices and, subsequently, prices of synthetic fibre and yarn.

We believe the October-December quarter may not be good in terms of top line and bottom line. The industry may stabilise from the March quarter," said Om Prakash Lohia, Chairman of Indo Rama Synthetics.

With crude oil prices moving up again, synthetic textile manufacturers heaved a sigh of relief, as orders have started flowing in again.

Meanwhile, synthetic textile manufacturers posted mixed results for the quarter ended September. For example, Filatex India reported a net profit of Rs 20.25 crore on a turnover of Rs 718.33 crore from their respectively levels of Rs 20.14 crore and Rs 704.43 crore from June 2018.

Indo Rama Synthetics posted a net loss of Rs 32.62 crore on a turnover of Rs 394.41 crore in September, against Rs 29.20 crore net loss on a turnover of Rs 355.54 crore in June.

"The impact of volatility in crude oil prices has been nullified by the rising demand of synthetic textile products in India. Polyester is slowly replacing cotton, thereby increasing the production of manmade fibres.

Demand for synthetic textiles is rising with rapid urbanisation and low-cost options available in the clothing segment," said Madhu Sudhan Bagheria, Chairman and Managing Director of Filatex India.

Source: business-standard.com - Jan 19, 2019

HOME

****

Farmer producer organisation from Gujarat makes first cotton deposit on MCX

A Farmer Producer Organisation (FPO) representing over 1,600 farmers from Somnath-Gir district, Gujarat has made a cotton deposit for the first time on Multi Commodity Exchange of India Ltd (MCXNSE -1.12 %), thus reaffirming their confidence in the hedging tools made available by the exchange, which is indeed a very encouraging development for the market and agricultural commodity ecosystem.

MCX is actively engaged in training farmers, handholding the Farmer Producer Organisations (FPOs) and connecting them with the Exchange platform in several states across the country.

It is already closely working with several FPOs or progressive farmers group in the producing region through institutions like Ambuja Cement Foundation, Reliance Foundation, CIMAP, NGOs and state agricultural and horticultural department officials.

The small and marginal farmers associated with FPOs and farmers' forum are made aware about efficient price discovery and benefits of commodity futures market. They are made aware about the best practices of trading on the futures exchange. MCX has successfully on-boarded 78 FPOs so far

Benefiting from the collective procurement of cotton crop in the year 2012, farmers of Better Cotton Initiative (BCI) formed an FPO named Somnath Farmers Producer Company Ltd (SFPCL) in 2013, in Dolasa village, Somnath-Gir Distt. (Gujarat), with Ambuja Cement Foundation's support. It now focusses on creating post-harvest marketing infrastructure with internal resources.

For the benefit of the farmers, in 2018 the FPO aggregated the kapas produce and ginned it at Haji Musa Ginning Factory at Kodinar. Thereafter they deposited and later delivered the product i.e. cotton bales using exchange approved warehouses and delivery mechanism, immediately after taking a sell position on the exchange platform to hedge the price risk.

Apart from helping FPOs manage their price risks, the mechanism has incentivised them to process kapas they produce into ginned cotton and enabled them to add higher value addition and higher incomes.

Mr. Mrugank Paranjape, MD & CEO, MCX said, “This is an affirmation and recognition of our continuous and committed efforts to bring FPOs and farmers to the Exchange platform. This also exemplifies our sustained initiatives to bring them to organised marketplace for de-risking themselves from price fluctuations.

By creating the right mechanisms and platform, more such FPOs can be persuaded to lock in prices and cover their risks on regulated exchanges. MCX has been taking initiatives in educating FPOs to explain them the merits in linking farmers, farmer associations to national level transparent marketplaces and actively take part in price discovery process.

Such results coupled with supply-side activities such as capacity building and input supply, can have a major positive effect on raising farmers’ income. “

Mr. Jitesh Joshi, Managing Director, Somnath Farmer Producer Organisation said, “In 2018, we organized a shareholders’ meeting for exploring alternatives to realize higher value addition in kapas. The highly reliable marketing channel as well as risk management platform available on MCX led us to agree to convert kapas into ginned cotton bales and sell on the exchange platform. Simultaneously, we sold the seeds in the local physical market.

Simultaneously, we sold the seeds in the local physical market. The deposit process in MCX-accredited warehouse was very smooth and the overall experience very profitable as we got a fair and remunerative price. I can say with confidence that sale of cotton bales and its risk management on MCX is indeed very beneficial for FPOs and farmers, which they can use for ensuring higher value realization of their crops.”

Source: economictimes.com - Jan 18, 2019

HOME

****

GTTES 2019 trade show is being held in Mumbai to promote textile economic growth

India International Textile Machinery Exhibitions Society (India ITME Society), largest textile machinery exhibition organizer in India, is organizing a Global Textile Technology & Engineering Show (GTTES) 2019 from January 18 to 20, 2019 at Bombay Exhibition Centre, Mumbai to promote textile economic growth through new technologies focused on ancillary and allied industries & trade.

This is the one & only trade event in India dedicated to magnify business and trade for textile machinery manufacturers, through interaction with agents / dealers from India and across the Globe.

GTTES 2019 aims to provide a platform to congregate the leading strategists, experts, innovators & management developers from European, American & Asia-Pacific area.

The domestic industries will be expected to be able to upgrade the competition of industry capital and further connect with the global business, said S. Hari Shankar, Chairman of ITME Society.

For enhancing the effectiveness of the event, he said the participants will be provided numerous opportunities to learn the latest industry resources & tools from business, governmental and academic aspects.

The show offers wide range of opportunities, from engaging with industry leaders at the highest level, to showcasing products and services to an international audience.

Source: knnindia.co.in- Jan 18, 2019

HOME

****

Ficci calls for housing scheme focused on garment workers, especially women

Industry body Ficci Friday said it has proposed to the textiles ministry coming up with a housing scheme in cities for workers, especially women, in garment factories.

"The need for such a scheme arises from the growing difficulties faced by women garment workers due to lack of safe and conveniently located accommodation in cities," the chamber said in a statement.

As the availability of land is a major issue in the cities, Ficci suggested that in case the industry has suitable land, it could be offered by the government by giving higher FAR (floor area ratio) for worker housing/hostel purposes.

"If the industry does not have suitable land, the local administration could be involved in the project and may be requested to offer suitable land or gram panchayat land within the vicinity of 10 km of the metro periphery. Such land may be free of cost or with a nominal lease for the industry," it said.

Alternatively, it said, a suitable hostel with 500 to 1,000 beds may be constructed with the help of the PWD department and after construction, it could be handed over to industry body/NGO for running it on a no-profit basis.

Female employment in the garment industry is the highest in India compared to other sectors and it stands at 70 per cent of the total workforce, the chamber said. It observed that the garment sector poses certain issues which need to be addressed to arrest any further decline in the women participation rate in the workforce.

The issues centre around two factors, namely migration and attrition. "Although many workers would wish to continue their jobs in metros, they soon give up and return back to their roots.

This results in heavy attrition of 8-10 per cent per month and industry and country have to bear heavy cost by losing a skilled workforce. This can be arrested by devising suitable schemes for providing safe and suitable hostel accommodation to such migrant workers," Ficci said.

Source: devdiscourse.com- Jan 18, 2019

HOME

****

Arvind to adopt sustainable dyeing technologies in its units across India

Textile major Arvind is keen on introducing DyeCoo's CO2-dyeing technology at its manufacturing plants across India. This eliminates the need for water and chemical dyes and is environmental free. DyeCoo, a Dutch company, is looking to partner leading textile firms in India.

If all goes well, Arvind will be the first company in India to introduce sustainable technology in the manufacturing of textiles in India. Arvind is in the process of ramping up textile production across its manufacturing units as it plans to double its textile business in the next five years. The company has earmarked an investment of Rs 500 crores every year for the next five years to expand its textile business.

Arvind has an annual production capacity of more than 100 million meters in denim, 132 million meters in woven fabric, 10,000 tons of knit fabric and 48,000 meters of voile. The group has built a strong portfolio of brands that straddles consumer segments across the income pyramid.

The company is also looking at developing garment clusters in Jharkhand, Andhra Pradesh and Gujarat. Each of these clusters will employ 4000 to 8000 workers. These clusters will be like a global supply chain. Arvind already has a cluster operational in Ethiopia.

Source: fashionatingworld.com- Jan 18, 2019

HOME

****