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IBTEX No. 81 of 2018 April 19, 2018

USD 65.76| EUR 81.41 | GBP 93.41 | JPY 0.61

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19529	40850	**79.78**

Domestic Futures Price (Ex. Gin), April

Rs./Bale	Rs./Candy	USD Cent/lb
20650	43195	**84.36**

International Futures Price

NY ICE USD Cents/lb (May 2018)	82.74
ZCE Cotton: Yuan/MT (Jan 2018)	14,825
ZCE Cotton: USD Cents/lb	**91.09**
Cotlook A Index – Physical	**92.8**

Cotton guide: Market was quiet on Wednesday, lightest trading session in last one month. The trading volumes were also thin as low as 30K contracts. The July future ended the session at 82.61 down by 34 points from previous close.

Market is swinging between 82 to 84 cents for past several trading sessions. Since there are no major triggers keeping the market sideways. The cash sales in US are low and enquiries are also less.

In US the forecast of rain over the weekend is very much likely and that is keeping buyers away from market. Many are expecting good rain or some rain especially after dry condition will be a welcoming scenario for Cotton.

Aforementioned range will be maintained for rest of this two trading sessions of the week and next week might have a fresh direction to Cotton.

More on the trading front amid May contract expiry the open interests have cut down in the contract and therefore the aggregate open interests have declined from 280K contracts to around 260K contracts. We feel post May the market may be ready to build fresh positions.

Coming to domestic market there has been slight decline in the spot price from Rs. 20000+ to by around Rs.100/150 per bale with overall all nation arrivals being at 115K bales.

THE effect of marginal decline in the spot price and ICE contract correcting downside has pulled the domestic cotton future down. On Wednesday the April future ended at Rs. 20640 down by 0.43% from previous close. It had made an intraday low of Rs. 20500. This morning ICE is seen trading steady from the previous close. Initially during the day market might remain sideways to lower. The trading range for the day might hold between 20480 to Rs. 20740 per bale.

Today evening we have the weekly export sales figure and believe that is important to watch out for. Overall exports this year has been good from US but has declined sharply in the last week. We believe if the weekly export sales holds above 300K bales then market might remain supported while sales below 200K bales might have negative sentiments on the price..

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

Why China won't yield to Trump

Last month, U.S. President Donald Trump enacted steel and aluminum tariffs aimed squarely at China. On April 2, China retaliated with tariffs on 128 American products. Trump then announced 25% tariffs on another 1,300 Chinese products, representing some $50 billion of exports. In response, China threatened 25% tariffs on 106 U.S. exports (including soybeans, cars, and airplanes), to go into effect whenever the U.S. tariffs do.

Yes, if these measures go into effect, it will amount to a trade war -- one that the United States is not likely to win.

While economists generally argue that everybody loses a trade war, some defend Trump's actions as a shrewd negotiating tactic to impel China to adjust its trade policies, such as the requirement that foreign companies share their intellectual property (IP) to gain access to the Chinese market. Yet Trump does not understand the basics of such a negotiation: he thinks that a country with a trade deficit necessarily has the stronger negotiating position. In reality, the surplus country is often in the stronger position, because it has accumulated financial claims against its "opponent."

That is certainly true of China, which holds well over $1 trillion of U.S. Treasury securities. Of course, if the Chinese government dumped its U.S. holdings, the resulting price decline would hurt both countries. But that doesn't invalidate the point. China does not necessarily even have to sell to wield influence. With U.S. debt expanding and interest rates on the rise, even rumors that the Chinese might stop buying Treasury securities could be enough to drive down U.S. bond prices and accelerate the increase in U.S. interest rates. This would further undermine confidence in financial markets, which are already unhappy with Trump's trade war, responding to every tariff announcement with a selloff.

But there are even deeper reasons to believe that China won't give in to Trump. Both the U.S. and Chinese tariffs will significantly hurt Americans. For example, Trump's tariffs on steel and aluminum will force the U.S. auto industry to raise prices for consumers as its major inputs become more expensive. China's retaliation hurts other important U.S. economic sectors, from agriculture to manufacturing.

While industries and consumers in China would also be hurt by a trade war, that country's leaders can overrule interest groups and stifle protests. In any case, public opinion will largely back retaliation against the U.S. The Chinese remember well the Opium Wars of the nineteenth century, when the Middle Kingdom tried and failed to resist the British campaign to force it to open its economy to opium and other imports. The so-called Unequal Treaties that emerged from that campaign were part of China's "century of humiliation," the transcendence of which is as important to modern popular Chinese consciousness as the word "liberty" is to Americans.

Overcoming the legacy of humiliation is possible only if China refuses to back down in the face of trade bullying. Add to that Trump's reputation for flip-flopping, and the odds that Chinese leaders would bother making a deal with Trump to change their country's trade policies seem small.

Even if China did decide to concede something to Trump, it would not be meaningful. For example, in response to Trump's demand for a reduction in the bilateral merchandise trade deficit, China could export less merchandise to the U.S. directly, instead routing products through Taiwan and other countries, where some final assembly could take place.

The result would be economically meaningless; but so is the concept of the bilateral deficit itself, as Chinese exports to the U.S. contain a high proportion of intermediate inputs produced in South Korea, the U.S., and elsewhere.

What really matters is that China's current-account surplus has been falling since 2008, and now stands at a relatively small 1% of GDP. America's external deficit is growing, but that is the result not of trade policy; it stems from Republicans' fiscal policy, which is blowing up the budget deficit and reducing national saving.

As for Trump's complaints about China's IP "theft," there are some valid grievances on this front. But addressing this issue requires technical expertise and negotiating skill, not blunt threats based on inadequate knowledge. Crucially, it would also require cooperation with other partners who have similar grievances with China, ideally including pressure applied through rules-based institutions like the World Trade Organization.

Trump is pursuing the opposite strategy, arguing that neither multilateralism nor bilateral negotiations work with China. Yet such tactics have helped to compel China to allow a 37% appreciation of the renminbi in 2004-2014 and to crack down on counterfeiting of U.S. merchandise and theft of U.S. software.

In any case, the shortcomings of existing trade institutions do not justify resorting to aggressive and ineffective unilateralism. That did not work in the 1980s, when Ronald Reagan's so-called Voluntary Export Restraints on Japanese goods ended up benefiting Japanese firms, rather than the U.S., which was better off after they were removed. Nor did it work in 2002, when George W. Bush imposed steel tariffs that cost many more jobs than they protected.

Trump may also want to avoid the WTO because the U.S. doesn't win all of the cases it brings there. But it does have a 90% success rate. And it is not as if the U.S. has never violated international rules; its recent moves amount to clearer violations of those rules than the Chinese policies to which they are supposed to be a response.

Although China may offer Trump some face-saving gesture, substantive concessions are unlikely. Trump's war will do nothing to improve America's external balance, output, employment, or real wages. No amount of gleeful photo ops, self-congratulatory tweets, or triumphant Fox News reports will change that.

Source: asia.nikkei.com- Apr 18, 2018

HOME

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Global Trade Outlook on Upswing, but Policy Volatility Could Bring It Down

Growth in world merchandise trade should remain strong this year and next, after posting its largest increase in six years in 2017, World Trade Organization economists said in a new report.

However, that continued expansion depends on governments pursing appropriate trade, monetary and fiscal policies, backed by overall strong global economic growth, WTO economists said.

The WTO anticipates merchandise trade volume growth of 4.4% in 2018, as measured by the average of exports and imports, compared to the 4.7% increase recorded for 2017. The forecast is for that growth to moderate to 4 percent in 2019, below the average rate of 4.8% seen since 1990, but still firmly above the average of 3 percent in the years following the Great Recession of 2008-10.

There are signs that escalating trade tensions, however, could already be affecting business confidence and investment decisions, which could compromise the current outlook, according to the WTO. This refers largely to President Trump's tariff threats against many nations and trading blocs—particularly China—and the potential for retaliatory measures should the U.S. policies be enacted.

"The strong trade growth that we are seeing today will be vital for continued economic growth and recovery and to support job creation," WTO director-general Roberto Azevêdo, said. "However this important progress could be quickly undermined if governments resort to restrictive trade policies, especially in a tit-for-tat process that could lead to an unmanageable escalation.

A cycle of retaliation is the last thing the world economy needs. The pressing trade problems confronting WTO members is best tackled through collective action. I urge governments to show restraint and settle their differences through dialogue and serious engagement."

The recently released April "World Forecast Flash" from Global Insight written by IHS Markit chief economist Nariman Behravesh and executive director of global economics Sara Johnson, said, "Even a limited tariff war could begin to wear down global economic growth. The magnitude of the tariffs being considered, so far, will have a limited effect on overall growth, but the impact on global supply chains and specific industries could be significant."

The economists said a trade conflict could weigh heavily on financial markets and business investment plans.

"Recent evidence suggests business sentiment is beginning to erode, in part because of trade disputes," they noted. "The good news is with growth momentum strong, the situation would need to become a lot worse before it would seriously threaten the global recovery."

Another major risk in the outlook is a potential rise in inflation in one or more key countries, which could cause monetary authorities to raise interest rates precipitously and lead to slowed economic growth, with negative consequences for trade, according to the WTO.

The U.S. Federal Reserve is in the process of raising interest rates closer to historical norms, while the European Central Bank is moving closer to phasing out its stimulus measures. Economic forecasters generally expect monetary authorities to manage these challenges successfully, the report noted, "but with less room to maneuver some financial volatility could come to the fore if conditions change."

Trade volume growth in 2017, the strongest since 2011, was driven primarily by increased investment and consumption expenditure. Merchandise exports grew 10.7% and commercial services exports increased 7.4%, reflecting increasing quantities and rising prices. The WTO did note that merchandise trade volume growth was somewhat inflated by the weakness of trade over the previous two years, providing a lower base for the current expansion.

Regarding trade policy and its impact on the forecast, the WTO said, "Increased use of restrictive trade policy measures and the uncertainty they bring to businesses and consumers could produce cycles of retaliation that would weigh heavily on global trade and output. Faster monetary tightening by central banks could also trigger fluctuations in exchange rates and capital flows that could be equally disruptive to trade flows."

In addition, heightened geopolitical tensions could reduce trade flows, while technological change could result in more cyber attacks, which could affect services trade as much, or even more than trade in goods.

On the positive side, since all regions are experiencing upswings in trade and output at the same time, this could also make recovery more self-sustaining, the report noted.

Despite the improved outlook, some structural factors that put downward pressure on trade in recent years remain, including things like the rebalancing of the Chinese economy away from investment and toward consumption, as well as the reduced pace of global trade liberalization.

Early data analysis points to trade getting off to a strong start in 2018. The WTO's most recent World Trade Outlook Indicator cited above-trend trade growth in the first quarter, while other indicators such as export orders and container shipping also suggest an ongoing recovery.

World merchandise trade volume grew 4.7% in 2017 from 1.8% in 2016, with rising import demand across regions, most notably in Asia. It was also shared across regions, especially on the export side, where North America, South and Central America and the Caribbean, Europe and Asia all recorded stronger growth.

Asia and North America saw steady year-on-year growth in imports throughout 2017, whereas import growth accelerated over the course of the year in Europe to 4.1% in the second half from 1.4% in the first half. The same held true for South and Central America and the Caribbean, where second half growth of 6.6% outpaced first half gains of 1.5%.

Asia had the fastest trade volume growth of any region in 2017, with exports increasing 6.7% and imports expanding 9.6% following two years of mild expansion. North American exports rebounded in 2017 after a stagnant 2016, with growth of 4.2%, while imports ticked up 4 percent, the report noted. Import growth for South and Central America and the Caribbean increased 4 percent last year following three years of steep declines, and European trade flows rose moderately, with a 3.5% gain in exports and a 2.5% rise in imports.

The report noted that exchange rates and commodity prices strongly influence dollar values of international trade flows. The nominal effective exchange rate of the dollar against a broad basket of currencies, despite some short-term fluctuations, was virtually unchanged in 2017, while prices for energy, food, raw materials and metals rose 7 percent to 24 percent.

This partly explains why merchandise trade growth was stronger in value terms than in volume terms for the year. The dollar value of world merchandise exports was up 11 percent in 2017 to $17.2 trillion, while world commercial services exports increased 7 percent to $5.25 trillion.

Source: sourcingjournal.com- Apr 18, 2018

HOME

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Brazilian cotton prices rise in first fortnight of April

Cotton prices continued to rise in Brazil in the first fortnight of April. The boost came from both higher demand and sellers' retraction. Between March 29 and April 13, the Center for Advanced Studies on Applied Economics/Department of Economy, Administration and Sociology, Luiz de Queiroz College of Agriculture (CEPEA/ESALQ) cotton Index rose 4.9 per cent.

"Brazilian processors were active in the spot market during the fortnight, mainly searching for high-quality batches (41-4 and above). In order to close trades, these purchasers needed to increase bidding prices, even for lower-quality batches.

Some processors, however, were unwilling to pay more for the product, claiming quality is mixed, as well as difficulty to pass on cotton price rises to by-products, mainly thread. In these cases, they worked with the cotton previously purchased," CEPEA said in its latest fortnightly report on Brazilian cotton market.

As for sellers, some cotton farmers were away from the market, waiting for prices to increase, while others claimed not to have batches from this season (2016-17) to offer. Trading companies and merchants, in turn, were not very active in the spot market.

Meanwhile data released by Conab (National Company for Food Supply) on April 10 estimated 2017-18 Brazilian cotton output at 1.862 million tons, almost 22 per cent up compared to that in the previous season. Area was estimated at 1.144 million hectares (+21.9 per cent), while productivity is expected to remain stable at 1,627 kilos per hectare (-0.1 per cent).

In Mato Grosso, the main cotton producing province in Brazil, crop conditions are good, with productivity forecasts within the historical average for cotton.

Thus, even if productivity increases by 1.8 per cent, larger area (18.9 per cent) may lead to an output at 1.224 million tons in the 2017-18 season, which would be 21.1 per cent higher than the 1.011 million tons in the previous season.

In Bahia, another cotton growing region in Brazil, Conab forecasts productivity at 1,600 kilos per hectare, down 6.8 per cent. Thus, the output from Bahia is estimated to total 424,200 tons in the 2017-18 season (+22.5 per cent), with area forecast at 265,100 hectares.

Source: fibre2fashion.com- Apr 18, 2018

HOME

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Russia firms taking keen interest in Pakistan

Pakistan and Russia are moving towards greater economic cooperation, which will have long-term impact on the economic relations of the two countries, said Russia Acting Ambassador Vladimir Berezyuk. “We have taken initiatives to boost our trade and economic ties,” he added.

Addressing members of the Pakistan Textile Exporters Association (PTEA) on Tuesday, Berezyuk said that Pakistan and Russia are making efforts for greater bilateral economic cooperation.

Russia begins delivery of advanced assault helicopters to Pakistan

Trade and investment cooperation of the two countries has been improving but it did not match potential, he added.

Russia is already cooperating with Pakistan in the construction of north and south gas pipelines, however, this cooperation needs to be expanded to other sectors as well, he said.

‘We are not the Soviet Union but we are capable of deterrence’

Russian companies are taking an interest in making investment in Pakistan as there are brighter chances for joint ventures in sectors like construction, agriculture, energy, information technology, textiles and other sectors.

Responding a question, head of visa section Vadim Zaetcov said that getting visa for business and trade has become easier than in the past years.

Source: tribune.com.pk- Apr 18, 2018

HOME

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Trump Backtracks on TPP

Just days after directing senior officials to review whether the U.S. should rejoin the Trans-Pacific Partnership, President Trump said he doesn’t think the agreement is good for the U.S. Trump withdrew from the TPP in January 2017 but has said several times this year that he might reconsider if the U.S. could achieve a better agreement.

After meeting with Japanese prime minister Shinzo Abe April 17, Trump said in a Twitter post that Tokyo wants to see the U.S. back in the TPP, which was signed earlier this year by the 11 remaining participants.

However, he added that he “[doesn’t] like the deal for the United States” because there are “too many contingencies” and “no way to get out of it if it doesn’t work.” However, a Politico article noted that TPP includes “a withdrawal process similar to what is in NAFTA.”

In remarks to reporters, National Economic Council chief Larry Kudlow added that the idea of the U.S. rejoining the TPP is “more of a thought than a policy” at the moment.

"If we choose to go down that path, however, to 'improve it,' we will have to be convinced that it's worth our while," an Inside US Trade article quoted Kudlow as saying. "And I don't think the president is yet convinced of that."

Trump's post reiterated his preference for bilateral trade agreements, which he said are "far more efficient, profitable, and better for OUR workers." In a separate post he noted that the U.S. already has bilateral FTAs with six of the other TPP members.

He also said the U.S. is "working to make a deal with the biggest of those nations, Japan," but Japanese officials have consistently shown little interest in such an arrangement.

Source: strtrade.com- Apr 19, 2018

HOME

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Egypt's exports of readymade garments record $382M in Q1

Egypt's exports of readymade clothes increased 16 percent in the first quarter (Q1) of 2018, recording $382 million (LE 6.75 billion), compared to $330 million during the same period of 2017, according to Sherin Hosny, executive director of the Ready Made Garments Export Council.

Exports to African Countries

Hosny added that the sector's exports to African countries do not exceed 2 percent, but activating trade agreements, especially the African Continental Free Trade Area, will increase the export of Egyptian products to specific markets such as South Africa, stating that South Africa's demands for readymade clothes are increasing.

She clarified that not having a specific trade agreement with South Africa, in addition to the high tariffs, are considered to be obstacles in the way of exporting to South Africa, hoping that these obstacles are solved by the African Continental Free Trade Area agreement.

Through this agreement, Egypt can import accessories used in manufacturing ready-made garments from African countries, and African countries can rely on Egypt's textile sector, Hosny said.

She added that such an agreement creates opportunities for cooperation between Egypt and African countries in the field.

2018

The export council aims at increasing readymade clothes' exports 20 percent by the end of 2018 to record $1.8 billion, according to Hosny.

She anticipated that the sector's exports will exceed $1.8 billion in case the rate of exports continues on the same trajectory as the first quarter of the current year.

Hosny said that the export support fund worked on overcoming the burdens of exporters in light of high shipping costs, adding that the fund is also targeting to have Egyptian products that can compete globally and to provide foreign currencies to the Egyptian treasury.

Generally, Egypt has an export support fund that helps companies introduce Egyptian products to international markets.

Hosny said that the exporters of ready-made garments have arrears to the fund reaching 18 months.

QIZ Agreement

Hosny said that the QIZ agreement has had a significant role in the rise of Egypt's exports of readymade clothes since the fourth quarter of 2018.

Egypt signed the Qualified Industrial Zone (QIZ) agreement with Israel and the United States in December 2004, allowing Egyptian products to enter American markets with no tariffs, provided that Israeli components represent 11.7 percent of these products.

In October 2017, Egypt signed a new agreement with Israel, including a modification of the QIZ deal, reducing the percentage of Israeli components in Egyptian products to 10.5 percent.

Destination Africa Exhibition

Regarding the third edition of the "Destination Africa" exhibition, Hosny said that the exhibition targets more Egyptian exhibitors for the ready-made garments sector and brings 400 foreign buyers – 200 buyers of ready-made garments and 200 buyers of furniture and textiles. The exhibition spans an area of more than 3,000 square meters.

Hosny said that the export council contacted all the embassies and commercial offices in Egypt to participate in the exhibition, seeking to achieve the exhibition's goal of integrating the garment baskets in Africa, with Egypt turning into the main center for garment production on the continent.

She clarified that Destination Africa doesn't target increasing exports to Africa, but creating integration between garment and furniture manufacturers in Africa to export to the rest of the world.

Destination Africa is an international, specialized, pan-African B2B sourcing event for the readymade garment, textiles and home textiles industries in Africa.

The exhibition aims to have Africa as the sourcing destination in these industries. It is organized by the Egyptian Exporters Association (ExpoLink), the Readymade Garments Export Council, the Textile Export Council and the Home Textiles Export Council.

Source: fashionatingworld.com- Apr 18, 2018

HOME

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New York Denim Days in September

New York Denim Days will take place from September 22 to 23. Spearheaded by true denim insiders, the festival connects denim professionals, designers and brands with denim consumers.

Denim lovers from across the spectrum -- fashionistas searching for the perfect pair of jeans, fade junkies looking to compare notes on raw denim, purists on the hunt for handmade indigo items, and designers shopping for Americana inspiration - will find the largest selection of indigo available at one event. Food, live music and art will round out the festival experience.

Plans include events with retail partners throughout the city. The show will have a mix of denim heads, the best brands and retailers and the most forward fashion. It will feature the who's who of denim trade, from top designers to creatives and executives on the cusp of what's next in the denim industry.

New York Denim Days is organized by Kingpins, the global denim sourcing trade show. Last year, Kingpins brought Denim Days to New York believing the concept would resonate with the New York denim scene. This year the event will be put more spotlight on the jeans industry. Following the event, Denim Days will return to its original home in Amsterdam from October 22 to 28.

Source: fashionatingworld.com- Apr 18, 2018

HOME

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Nigeria: Retooling AGOA trade policy to boost export

Nigeria has lots of trade agreements with many economic partners meant not just to strengthen bilateral trade cooperation, but also to see that the agreements are of win-win situation. Some of the trade treaties are, however, not making any significant inputs to the economy and therefore due for periodic review.

Though, some may be tedious and deliberately made difficult for review by the more favoured partner(s). However, there is no doubt that it is time for the Federal Government to have a second look at past trade agreements that are considered injurious to Nigeria's socio-economic interest.

AGOA treaty

For stakeholders in the industrial sector of the Nigerian economy, one of the key economic treaties that is currently at the front burner for the Federal Government to take a closer look at is the African Growth and Opportunity Act (AGOA) treaty, which is yet to make value addition to the country's economy at the international stage.

AGOA is a bilateral trade arrangement aimed at increasing US trade and investment with sub-Sahara African countries. The trade treaty, which was signed into law in May 2008, provides access to the US market for more than 6,400 products from sub-Saharan African countries even though Nigeria is yet to benefit much from the it.

FMITI view on AGOA

At an industry forum on impact of AGOA in Abuja a few days ago, the Deputy Director, Trade Department, Federal Ministry of Industry, Trade and Investment (FMITI), Mr. Aliyu Abubakar, highlighted that a draft strategy had been developed to ensure that the country truly benefits from the act.

According to him, AGOA is yet to impact positively on Nigeria because some of Nigerian produce from the country's industrial firms are yet to be accepted under the AGOA accord. He said this had brought setback to the economy just as Nigerian manufactured goods find it difficult to into the US market.

"AGOA was signed into law in May 2008, under the U.S. trade and investment Act. It provides access to the US market for more than 6,400 products from Sub-Saharan African countries. "The first phase of the Act lasted from Oct. 2000 to Sept. 2008. The US Congress on August 2015, further extended the period of the Act to 2025," Abubakar said.

He said in order for a country to benefit, it must fulfill basic requirements such as a market based economy that protects property right and adherence to rule of law, including political pluralism. Others, he said, included the elimination of barriers to US trade and investment, and elimination of economic policies aimed at reducing poverty as well as encouraging private enterprise.

He said that the country must also have a system to combat corruption and bribery, protection of internationally recognised worker's right and non-engagement in gross violation of international terrorism and activities that undermine US national security or foreign policy interest.

Implementation process

Abubakar said that as part of effort to reinvigorate AGOA implementation process in Nigeria, the ministry, after due consultations with the relevant AGOA stakeholders, had identified focal products for Nigeria to maximise its benefits within the shortest time. "The draft document has been forwarded to the minister and awaits approval from the Federal Executive Council (FEC)," Abubakar said.

Challenges

He listed the challenges that hinder the realisation of the Act to include lack of sanitary and phyto-sanitary requirements, problem of labeling, packaging and quality.

Others are lack of product specific standard, supply-side constraints such as inability to meet up with large volume of orders from the US and weak competitiveness as a result of weak infrastructure facilities and lack of finance. He said that the country in collaboration with the United Nations Commission for Africa (UNECA) had developed the national AGOA response strategy, adding that it had been validated by stakeholders.

Way forward

He added that the way forward would be to fast-track the Land Use Act to support agricultural activities and strategies to remove administrative and logistic constraint being faced by farmers and exporters. According to him, the ministry has developed a draft strategy with the objectives of promoting Nigerian participation with a view to benefitting from AGOA. The director said Nigeria had no strategy because of some administrative issues. He explained that the former Minister of Industry, Trade and Investment only fine-tuned the document and left without approval.

“We have to start all over with the new Minister, now we have gone back to our drawing board to come up with a strategy that will be acceptable to everyone. “We have scheduled a stakeholders meeting from April 18 to April 19, to fine-tune and validate the document and as soon as possible submit to the minister for approval. “Our target is to get the document approved by July, so we can have something to report at the U.S. annual Congress.

“The strategy is like our roadmap on what we will do between now and 2025, we want to see how we can achieve the lost ground so that Nigeria can start benefiting from the Act. “We also developed an action plan with monitoring and evaluation to ensure that everybody is playing its part,’’ Abubakar said.

Stakeholders’ views on AGOA

Speaking in the same vein, the President, National Association of Nigerian Traders (NANTS), Mr. Ken Ukaoha, affirmed that Nigeria had not benefitted from the Act for some reasons. Ukaoha said that the country was yet to fulfill the requirement in terms of value addition, which was the raw material required.

“This entails that a country must get raw materials for its country to send its goods that will be classified admissible under AGOA,’’ he said. Ukaoha said that the country had not developed the sectors that would give these particular value chains that would be admissible under AGOA, citing the textile industry an example.

“These industries that are dandling would have gingered the capacity of our textile industries and export capacity, unfortunately the production capacity is low and adherence to the requirement are also low,’’ he said.

In his remarks, the Chairman, AGOA Civil Society Organisation Network, Mr. Fred Oladeinde, said that Nigeria's exports to the United States under AGOA plummeted between 2008 and 2016 due to weak demand for Nigerian crude oil imports. Oladeinde said that there was an urgent need for export diversification to increase Nigeria's exports to the US, particularly in sectors with strong demand like value added agricultural products, leather, food, spices, and beverages.

According to him, to achieve this goal, Nigeria, an AGOA eligible country, should develop bi-annual country utilisation plan.

Last line

Industry stakeholders believe that policy makers have not looked into how the country can tap from the benefits of AGOA amid the collapse of infrastructure.

Source: newtelegraphonline.com- Apr 19, 2018

HOME

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Why The Word "Athleisure" Is Completely Misunderstood

By many accounts, athleisure is the defining fashion trend of the 21st century so far. Form-fitting, athletic-inspired clothes are everywhere. They've changed how we dress for the gym, for the street and even for work. The industry is now worth $44 billion in the U.S.

The origins of athleisure are closely linked to lululemon. And it might be said that I'm the godfather of the category. I certainly look the part. There's just one problem. Athleisure has nothing to do with technical athletic wear. In fact, by definition, it's the exact opposite.

Athleisure is a term made popular by the New York-based fashion industry 20 years after lululemon got its start. It describes a category of clothing meant to look athletic, but with no inherent technical function. Put simply, it's the antithesis of the business I love.

Lululemon's success came out of creating high-performance technical clothing that stood up to the test of elite athletes — and was beautiful enough to wear for everyday life. The "athletic-look" fashions that have popped up in its wake have muddied the waters of real technical apparel and left consumers, analysts and investors confused. It's time to set the record straight.

The true origins of technical streetwear

When lululemon sold its first pair of Boogie Pants (now the subject of a MoMA exhibit) in 1998, we knew we had something special. I came from the world of technical snowboarding apparel where clothes had to function under extreme, life-or-death conditions. And they had to be flexible enough to use in different settings. When the surf's up or the snow dumps, there's no time to change from street clothes to sports gear and back again. My first company catered to this nascent market. But, like most athletic companies at the time, we didn't pay proper attention to the neglected women's market.

Lululemon was the first company of its kind to focus on a growing market of highly educated, well-travelled, athletic women. We made clothing to be functional first and foremost. And in the functional placement of elements like seams and zippers, we created new and beautiful styles. The clothes could easily go from the gym to the street because the fabrics wicked sweat and didn't stink, and the styles were fresh and flattering. Our focus on performance pushed us to innovate.

Many of the style elements others have copied were borne out of function. Flat stitching doesn't chafe, thicker waistbands don't cut in or ride down, the "diamond gusset" in the crotch area allows for freedom of movement. It was the first time function and style came together in this way for women's athletic wear. I called it "street technical," or "streetnic," for short.

Fashion overtakes function

At the time, the early 2000s, other companies were making athletic gear, but for the most part, they focused on the men's shoe market, not on technical apparel. And when it came to the women's market, the mantra industry-wide was "pink it and shrink it." In the wake of lululemon's success, traditional giants in the athletic space started paying more attention to the women's market, and upping their game.

They also clued into the immense profitability of this segment of the athletic apparel market and sought ways to be effective in this new category. But companies built on soccer cleats and basketball shoes don't necessarily have the creative chops to make the transition.

A work-around has been to borrow from the fashion world, either through collaborations with high-end designers, like Adidas' work with Stella McCartney and Y-3, or by recruiting designers directly.

Meanwhile, everyone from the Gap to Victoria's Secret to Givenchy has launched mass-market "athleisure" lines to cash in on the trend.

As a result, the terms athleisure and technical apparel have become confused and conflated in the apparel space. They are actually two vastly different markets, with different functions, different cultures, and different ways of looking at their consumer.

Athleisure is faux athletic gear sold largely to non-athletes who care about fashion, not necessarily function. Technical wear is for active individuals who value performance first, plus the flexibility of clothing stylish enough to wear on the street.

In addition, even at true technical apparel companies, product development has been in large part handed over to fashion designers, not athletes, and little real innovation is taking place. Even lululemon has in some cases been resting on its laurels, tweaking old products through a fashion lens.

More than ever, what's needed for the category is a return to our technical roots — what made this apparel so revolutionary in the first place. Reclaiming a competitive edge starts with putting the "athlete" back in athletic apparel. Brands run by athletes, not fashion plates, will survive and thrive in this new environment.

At the highest levels of management, intimate knowledge and appreciation of high-performance athletics—as opposed to just "fashion"—is paramount. At the same time, brands that truly cater to elite athletes, first and foremost, will discover a recipe for continued innovation and success.

For inspiration, one need look no further than the companies making clothing for Olympic athletes, like the skiers and snowboarders who recently competed in PyeongChang. On the Olympic stage, a garment has to perform at its highest level—there's no margin for error or compromise.

Companies that truly strive to meet the demands of Olympic athletes are then able to translate those advances into technical apparel for the rest of us.

Burton's NASA-inspired uniforms for the U.S. snowboarding team are a prime example of this kind of envelope-pushing, as is lululemon's beach volleyball clothing. This is true innovation in action, rather than just putting a new print on the same old legging.

Source: forbes.com- Apr 18, 2018

HOME

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Pakistan plans to tap Saudi's high-end fashion market

The Trade Development Authority of Pakistan (TDAP) plans to develop an institutional linkage between the fashion institutes of Pakistan and Saudi Arabia to tap growing high-end textile and garment market, an official said on Tuesday.

Under the proposed plan, fashion institutes of the two countries would initiate exchange programmes of teachers and students; followed by the development of latest fabrics and garments according to Saudi Arabia's high-end market requirements.

Saudi Arabia's fashion market is expected to grow at an annual growth rate of 12.7 percent to $3.085 billion by 2022, while the market's largest segment apparel is expected to have a market volume of $1.065 billion by the end of 2018, the official said.

Saudi Arabia had always been a lucrative market for fashion entrepreneurs; however, it could be termed late entrant to the regional fashion scene where other Gulf countries such as the UAE has made its mark. Dubai has also established a free zone for fashion and design companies to buoy the growth of the industry.

The official said it has also been planned that an exhibition of all such products would be organised in Saudi Arabia, while the Trade Development Authority of Pakistan's Commercial Section Jeddah would continue its coordination on the proposal for institutional linkages between the leading academic institutions of textiles in Pakistan and Saudi Arabia.

Moreover, the Trade Development Authority of Pakistan 's Commercial Section intends to arrange a textile show of high-end made-ups and fashion apparel in Jeddah with two major stakeholders from Pakistan, including Chenab Group and Pakistan Institute of Fashion Design (PIFD) and counterpart in Jeddah, including Dar ul Hikma University and Danube Supermarket.

Broad contours of textile show had been received from Dar ul Hikma University and currently discussion is being carried out to finalise the dates for the show, the official added.

Source: thenews.com.pk- Apr 18, 2018

HOME

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NATIONAL NEWS

India, UK agrees on multiple agreements on trade, investment and finance

Both India and the United Kingdom (UK) on Wednesday agreed to forge a dynamic new India-UK Trade Partnership, to develop new trading arrangements.

The decision comes as the UK assumes responsibility for its independent trade policy, facilitate investment in both directions and intensify collaboration on shared or complementary strengths.

Prime Minister Narendra Modi held a bilateral meeting with his British counterpart Theresa May this morning and they discussed various topics.

"Building on the recommendations of the recently-completed UK-India Joint Trade Review, we will work together on a sector-based roadmap, to reduce barriers to trade, make it easier to do business in both countries and enable a stronger bilateral trade relationship after the UK exits the EU.

We will also ensure continued application to the UK of EU-India Agreements during the Implementation Period following the UK's departure from the EU, and put in place arrangements to replicate relevant EU-India agreements beyond this period," a joint statement said.

The UK has been the largest G20 investor in India over the last ten years and India has the fourth largest number of investment projects in the UK. "We will begin a new dialogue on investment to improve our mutual understanding of priorities and review future opportunities for cooperation."

India also welcomed the decision by the UK to provide additional support to Indian businesses by establishing a reciprocal Fast Track Mechanism for Indian investments into the UK.

Both the countries will also support initiatives of the business stakeholders, including those proposed by the UK-India CEO Forum which met today, to achieve shared prosperity for India and the UK.

India and the UK also acknowledged the importance of connectivity in today's globalised world.

Source: business-standard.com- Apr 19, 2018

HOME

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Prabhu assures exporters of taking up GST refund issue with Fin Min

Commerce and Industry Minister Suresh Prabhu today assured exporters of taking up the issue of GST refund with the finance ministry.

Exporters are claiming that over 60 per cent of their refunds are still stuck with the government.

"I have asked them (exporters) to give me the details of the pending refund. GST refund is a major issue for exports. I will take it up with the finance ministry," he said.

Federation of Indian Export Organisations (FIEO) is of the view that the refund filing mechanism should be made completely online and the pending GST refund released immediately to help exporters tide over the cash crunch.

The issue has been hanging fire for over five months now with exporters complaining that delay in GST refund has blocked their working capital.

Prabhu also said the government is taking all steps to further boost the country's exports.

Speaking to FIEO members here, he asked them to prepare a detailed action plan of all sectors and sub-sectors suggesting ways to promote their exports.

"We need a concrete plan to work on that," he said adding the Centre is also involving States to help boost the export.

Prabhu also informed that he would be calling a ministerial meeting to discuss issues pertaining to outbound shipments.

He exuded confidence that exports during 2018-19 would be better than the previous year.

India's exports dipped after a gap of four months in March but finished 2017-18 with a healthy rise of 9.78 per cent to USD 302.84 billion.

Exporters raised issues related with GST refund, increasing logistics costs and inadequate infrastructure at ports.

The government has sanctioned GST refunds to exporters to the tune of Rs 17,616 crore till March. Of this, Rs 9,604 crore is on account of integrated GST refund and another Rs 5,510 crore on account of refund on input credit.

Besides, another Rs 34,000 crore has been refunded on account of duty drawback and Rebate of State Levies (ROSL).

The minister also participated in Swachh Bharat Parv here and said cleanliness would help promote tourism in the country.

Source: economictimes.com- Apr 19, 2018

HOME

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Khadi goes global: South Africa to showcase in textile event

Noted fashion designer Gavin Rajah to choreograph a 20-minute textile event, aimed at projecting Khadi in a modern and trendy style, at Sandton Convention Centre in Johannesburg on April 30, during the concluding session of the two-day India-South Africa Business Summit, as a 'The Tribute to the Mahatma and Madiba (Nelson Mandela)'.

The program is being held in memory of 125 years of the Pietermaritzburg incident where Gandhi was thrown out of a train by White supremacists, along with Mandela's birth centenary. The Summit will be also be attended by Union Minister for Commerce, Industries and Civil Aviation Suresh Prabhu.

The event seeks to showcase New India in South Africa, with the intent to double two-way bilateral trade and investment within a five-year period.

Saxena said on Wednesday that the KVIC had dispatched more than double the length of the desired fabric.

In March, Ruchira Kamboj, Indian High Commissioner in Pretoria, requested Khadi and Village Industries Commission (KVIC) Chairman Vinai Kumar Saxena, to provide different Khadi fabrics, including silk and muslin, in both embroidered and printed forms reflected by Gavin Rajah, who had played an active role as UNICEF's goodwill ambassador.

Saxena said when Gandhiji reached South Africa, a war against apartheid and British rule was started. Now, Khadi is all set to bring economic freedom as the 'Ahimsa Silk' would showcase its piousness and economic feasibility in the land of Madiba, the clan name of Mandela.

As part of the Centenary Year celebrations of Gandhiji's Swadeshi Movement, the High Commission of India in Uganda unveiled the Gandhi Charkha – gifted by KVIC – at the Gandhi Heritage Site at Jinja in Uganda on October 2, 2017, which is also the International Day of Non-Violence.

The 25-kg Charkha was made of high-quality teak wood and is 3.6 feet long, 1 foot 11 inch tall and 1.5 feet wide, made in Ahmedabad by a Khadi institution. It was the first testimony that a Charkha had gone to the foreign soil.

Source: thehindubusinessline.com- Apr 19, 2018

HOME

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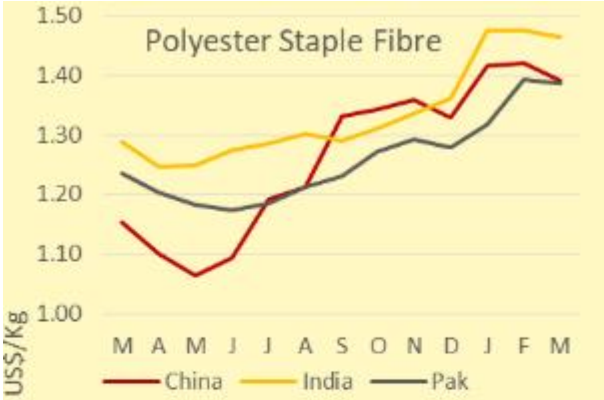
Polyester market weakens in March, no support from upstream

Ethylene prices in Asian markets jumped in March supported by strong demand amid the heavy steam cracker turnarounds. In US, spot ethylene fell to a nine-year low on weak sentiment as production from new capacity has overtaken consumption amid downstream disruptions. European ethylene spot prices were almost flat for the month.

Paraxylene prices in Asia edged down in March amid weak sentiment in the Chinese commodities market. In Europe, spot paraxylene prices edged down on the back of softer pricing in Asia markets during the month.

In US, spot paraxylene prices inched up this month while imports in March fell by 16% year on year. Asian marker, the CFR China was down 1.4% from last month while European paraxylene declined 1.7% on the month. In US, spot paraxylene was up 0.6% on the month.



Mono ethylene glycol prices in Asia dropped in March amid thin trading activity and ample inventory during the month. European mono ethylene glycol spot prices were slightly weak amid an increasingly bearish market, following the steep falls in Asia.

In US, mono ethylene glycol markets were up with not large movement in prices while domestic consumption was balanced. Asian MEG prices were down 11% in March while European spot fell 1.2% on the month. US spot MEG rose 2.5% on the month.

Purified terephthalic acid prices were range-bound amid balanced supply in the market. In Europe, PTA market was steady during the month. Asian PTA prices were up 0.8% from February.

Polyester chip prices in Asia edged down on softer feedstock and insipid market fundamentals during the month. Supply is likely to increase as some PET chip units restarted this month. Offers for semi dull chips slipped 1.9% and super bright chip fell 0.6% on the month.

Polyester staple fibre prices fell in China while demand was decent, leading to smooth liquidity. Prices in India were firm during the month. In Pakistan, PSF prices were revised up over a strong demand from the yarn producers and a new fall of the rupee.

Polyester filament yarn prices in March declined in China on cost pressure from upstream raw materials market during the month. Demand was lackluster as downstream spinning mills were slow to ratchet up production owing to limited labor force.

As a result of piling inventory, producers tended to offload goods with some discounts. Prices in India and Pakistan rolled over during the month. In China, POY 75/72 prices fell US cents 2 a kg in Shengze while Indian POY 130/34 prices was down US cent 1 a kg. In Pakistan, 300/96 DTY prices were down US cent 1 a kg on the month.

Polyester spun yarn prices in March fell in China in tandem with the persistent fall in polyester staple fiber prices during the month. In India, spun polyester yarn prices was slightly weak taking cues from overall polyester market sentiment internationally.

In Pakistan, polyester yarn prices edged down during the month. In Shengze, offers for 32s polyester yarn fell US cents 6 a kg from February. In India, 30 polyester knit yarns were stable in Ludhiana market. In Pakistan, 30s spun polyester was down US cents 5 on the month.

Source: yarnsandfibers.com- Apr 17, 2018

HOME

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Why GDP alone won't create jobs

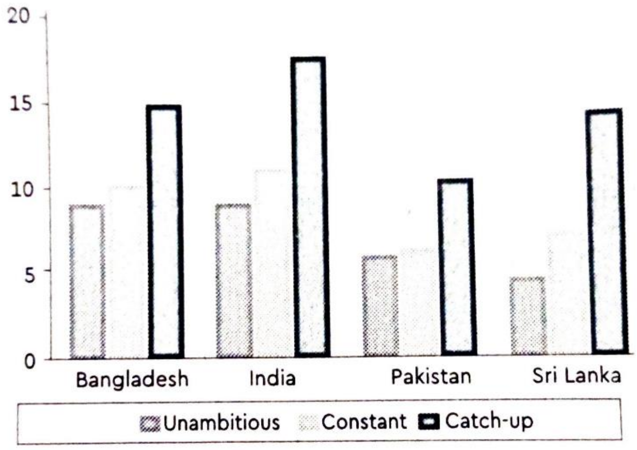
The required growth rates rise dramatically when you consider how many jobs India actually needs to catch up with countries with similar levels of income, or to meet the demands of a population that wants to, for instance, move out of agriculture.

According to the International Labour Organization, India's unemployment rate amongst 15-24 year olds is at 10.5%, implying that the process of job creation amongst first time job-seekers is abysmal in the country. Worse, World Bank's South Asia Economic Focus report estimates that for India to maintain even its current employment rate, over eight million new jobs will need to be created every year.

The required growth rates rise dramatically when you consider how many jobs India actually needs to catch up with countries with similar levels of income, or to meet the demands of a population that wants to, for instance, move out of agriculture.

High growth alone will not suffice to reach ambitious employment targets

Annual GDP growth needed (%)



Annual jobs needed (in thousands)

	Unambitious	Constant	Catch-up
Bangladesh	980	1,100	1,610
India	6,910	8,490	13,480
Pakistan	1,220	1,310	2,140
Sri Lanka	40	65	130

Source: World Bank

Based on current employment elasticities, the World Bank estimates, India will need to grow its economy at around 18%, in nominal terms, as compared to the current 11% or so. Since getting this sort of growth is not possible, India needs to get more jobs for every percent growth in GDP.

Building more roads and housing—as the government is doing right now—is one solution since construction has a high employment intensity. The other solution is to create more jobs in low-end manufacturing, like textiles and garments exports, areas where India is losing rapidly to countries like Bangladesh and Vietnam —fixing this requires not just making India's labour laws, such as on overtime, more flexible, but also fixing logistics and infrastructure costs.

Another option is to create more services' jobs like education, health and tourism. Given India's abysmal shortages in education, health, judiciary, etc, this is a more permanent solution.

But if a large part of these jobs have to be created in the public sector, as they do, this requires a serious rejig of the budgets of both central and state governments.

Once expenditures on subsidies, for instance, are reduced, these can be used to hire more teachers, policemen, judges or health personnel.

Source: financialexpress.com- Apr 19, 2018

HOME

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Plan on cotton seed prices to come next week

India's farm ministry will announce its course of action on cotton seed prices by next week after the Delhi High Court judgement that said Monsanto Technologies' patents on Bt cotton seed variety Bollgard II were not valid.

Officials in the agriculture ministry said they want to assess implications of the order on cotton seed prices for which the ministry is the regulatory agency.

Meanwhile, the agriculture secretary said normal monsoon forecast by the weather office was a shot in the arm for the sector and good for the agriculture economy. He added that they expected growth in productivity due to availability of water and agriculture growth to be better than that in the previous years.

"By next week, the course of action the government needs to take...we will see. After reading the judgment, if there are any directions to the government... we will abide by that," said Shobhana K Pattanayak, secretary, department of agriculture, cooperation & farmers' welfare.

Source: economictimes.com- Apr 19, 2018

HOME

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