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IBTEX No. 118 of 2019 June 19, 2019

SD 69.62| EUR 77.92 | GBP 87.43 | JPY 0.64

Cotton Market

Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm

Rs./Bale	Rs./Candy	USD Cent/lb
21866	45700	**83.66**

Domestic Futures Price (Ex. Warehouse Rajkot), June

Rs./Bale	Rs./Candy	USD Cent/lb
21890	45750	**83.75**

International Futures Price

NY ICE USD Cents/lb (July 2019)	66.82
ZCE Cotton: Yuan/MT (September 2019)	13,410
ZCE Cotton: USD Cents/lb	88.11
Cotlook A Index – Physical	**77.00**

Cotton Guide: The Weather conditions is causing the upward movement in prices. Along with this, the bulls are gaining additional strength with the positive geopolitical news coming in relating to the meeting between the duo (Presidents of US and China) at the G20 summit scheduled at Japan.

The ICE futures were all positive with the exception of the ICE July and ICE October (commanding miniscule volumes). The ICE December contract settled positive at 66.82 cents/lb with a change of +40 points, whereas the ICE March 2020 contract settled at 67.19 with a positive change of +32 points. Volumes have been to have an addition charge with them since the last 10 days, where they were all above the 40,000 contract figure. Yesterday's volume was at 47,645 contracts. The total open interest decreased by 8698 contracts at 184,726 contracts which is considered as almost a 3 year low.

The MCX contracts on the other hand, as usual were in tandem with the direction set out by the international contracts. The MCX June contract was seen to settle by +200 Rs with a settlement figure of 21,890 Rs/Bale. The MCX July contract settled at 21960 Rs/Bale with a change of +190 Rs whereas the MCX August contract settled at 21970 Rs/Bale with a change of +220 Rs. The Volumes were hefty yesterday with a figure of 7062 lots.

The Cotlook Index A is adjusted slightly at 77.00 cents/lb with a change of -0.05 cents/lb. The Cotlook forward index A is adjusted at 76.50 cents/lb with a positive change of +0.65 cents/lb. Prices of Shankar 6 are seen firm and hovering around 45,600 Rs/Candy.

For the day we feel the ICE December contract will see a little more of positive gains as it is presumed that the clouds will still shower incessant rains on the west Texas region for a week which is hindering the sowing process. As seen yesterday the prices of ICE December touched a high of 68.85 cents/lb but settled marginally high at 66.82 which means there is a strong potential for the bulls to drive the prices ahead. For MCX we can expect a price rise of +150 Rs at EOD.

While speaking about the sowing that has taken place in the United States, the USDA put forth numbers showing 89% cotton planted till June 16, 2019 which is less than the five year average of 94%. This means 11% of the planting is still to be done which is a mammoth figure. However, this has not been the case just for cotton but it has also been the case for other competing crops like Soybeans and Corn.

A considerable amount of changes has been seen in the prices of Crude Oil. WTI is trading at 54.11 $ Barrel after hitting 51.60 yesterday. The reasons attributed for this rise are tensions in the Middle East coupled with optimism seen for a US China trade deal. We need to remember to correlation of crude & cotton thereof. Cotton can thus ride along with gains in crude.

On the technical front (ICE December), ICE Cotton is trading within a downward sloping channel, also having higher high's & higher low's formation, implying the bullish momentum for the price. Cotton price have witnessed bullish engulfing at the support of 64.70 & with 5 EMA (66.61) moving above the 9 EMA (66.51) which supports the bullish case. However, the immediate resistances for the price is at 67.80-68, coinciding with higher end of the channel & 23.6% Fibonacci retracement level. Momentum indicator RSI is at 46 suggesting sideways to positive bias for the coming sessions. For the today's session we expect the prices to trade within a range of 68-66.50. However, a close above the channel could bring bullish bias for the price. In the Domestic market MCX Cotton June may trade in the range of 21650-22180.

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

Hundreds of Companies Descend on Washington to Fight Trump's Tariffs

New Balance Athletics Inc. has long advocated for and benefited from tariffs, competing with Nike Inc. and other footwear companies while still making shoes in the U.S. Now, it's among the critics of President Donald Trump's duties testifying at a public hearing that started Monday.

The Boston-based firm said while it supports Trump's efforts to force China to address intellectual property theft in a trade deal, its U.S. factories are supported by a global supply chain connected to China and built over decades. Duties on soles and other components would hurt the business, as do China's retaliatory tariffs on U.S. exports, the company said.

Trump's proposed duties "will risk the viability of our made-in-the U.S.A. shoes," New Balance Vice President Monica Gorman testified.

About 320 officials from U.S. manufacturers, retailers and other companies and trade groups are set to appear over seven days of hearings that started Monday at the U.S. International Trade Commission before panels of officials from the Office of U.S. Trade Representative and other agencies. While some companies including Rheem Manufacturing Co. support the duties, most are arguing that Trump shouldn't tax their products.

The footwear firm is among the U.S. companies lining up for the hearing to drive home a now-common point: Trump's proposed tariffs are bad for business. But the stakes have never been higher, with the latest wave of threatened duties set to hit essentially all remaining imports from China including mobile phones, laptops, apparel and other consumer items.

New Balance has long pushed to supply U.S.-made shoes to the Pentagon and argued against reducing tariffs on imported finished footwear when the U.S. was negotiating the Trans-Pacific Partnership with 11 other nations earlier this decade. But Trump withdrew from the TPP in 2017, and his use of tariffs on goods and components has drawn opposition from a swath of U.S. companies and industries.

While Trump likes to say China is paying the tariffs, economists say it's U.S. importers that pay them and some of that gets passed to consumers in higher prices. Companies also say they can't easily avoid them by moving operations outside China, as the president suggests.

China accounted for about 42% of all apparel and 69% of all footwear imported into the U.S. in 2018, according to the American Apparel & Footwear Association. A tariff of 25% will cost a family of four at least $500 more for goods, said Rick Helfenbein, president and chief executive officer.

"Please, please don't tax the U.S. consumer," Helfenbein told the panel.

It's the fourth round of hearings, after Trump levied duties on $250 billion of products last year. As talks on a trade deal with China faltered last month, he ordered a tariff increase to 25% from 10% on $200 billion of goods and targeted an additional $300 billion in products -- including consumer goods the administration spared in previous rounds.

Hallmark, Forever 21

Some executives are coming to Washington to testify for the fourth time, even though many don't have much hope of success given that Trump sees tariffs as "beautiful" and leverage for a deal -- especially after he said the threat of duties on Mexico produced an immigration pact. Some firms got goods removed from previous tariff lists, only to have them put back.

Retailers including Best Buy Co. Inc., Jo-Ann Stores LLC and Forever 21 Inc.are opposing duties on goods including computer tablets, smartwatches and artificial plants. Hallmark Cards Inc. said greeting cards and Christmas ornaments should be spared because of the impact on retailers, consumers and even the U.S. Postal Service.

Technology products account for more than half the value of the $300 billion, which will raise prices for consumers and could prove "catastrophic" -- especially for small- and medium-size firms, the Consumer Technology Association said.

Element Electronics was able to add jobs after the Trump administration decided to remove LCD panels from a previous tariff list, but if the panels remain on the current list, the company will have to shutter its U.S. plant in

South Carolina and move to Mexico or another country, General Counsel David Baer said.

“You have to fix this unintended consequence,” Baer said.

The proposed duties have also drawn opposition from companies that sell products including eyeglasses, fireworks, books, art, vinyl gloves, skis, fishing equipment, seafood, baby cribs and toys.

“Look out, American toy shoppers here comes the Grinch That Tariffed Christmas!” Wendy Lazar, the founder of I Heart Guts plush toy company in California, posted online.

The proposed tariffs would even hit ship-to-shore gantry cranes that handle cargo containers and aren’t made in the U.S., said John Reinhart, chief executive officer and executive director of the Virginia Port Authority. That would affect two cranes costing $19.5 million it ordered in May, diverting funds from other infrastructure projects, he said.

The tariffs could be imposed after a seven-day rebuttal period ends July 2.

Trump is still waiting for a response from Chinese President Xi Jinping about meeting to restart trade talks, economic adviser Larry Kudlow said last week, while warning that Beijing may face consequences it if refuses. Trump has repeatedly threatened to raise tariffs if Xi doesn’t meet with him at the G-20 leaders’ meeting from June 28-29 in Osaka, Japan.

Commerce Secretary Wilbur Ross downplayed the prospect of a major trade deal emerging from a possible meeting between the two presidents, telling the Wall Street Journal in an interview Sunday that the most he thinks will happen is an agreement to resume talks.

Walmart Inc., Target Corp., Macy’s Inc. were among about 660 companies and associations that made a plea last week to Trump not to impose additional tariffs on Chinese goods, and to return to the negotiating table to strike a trade deal with Beijing. Almost 140 apparel and footwear companies also sent a letter to Trump on Monday opposing the duties.

The U.S. Chamber of Commerce is filing comments also urging the administration to finalize a deal that removes the tariffs. Despite attempts to assure Americans there's a strategy to resolve trade disputes without hurting U.S. interests, "these assurances lack the coherence that would provide comfort to those businesses, farms and workers whose livelihoods are being put at risk," the chamber said.

Source: bloomberg.com- June 18, 2019

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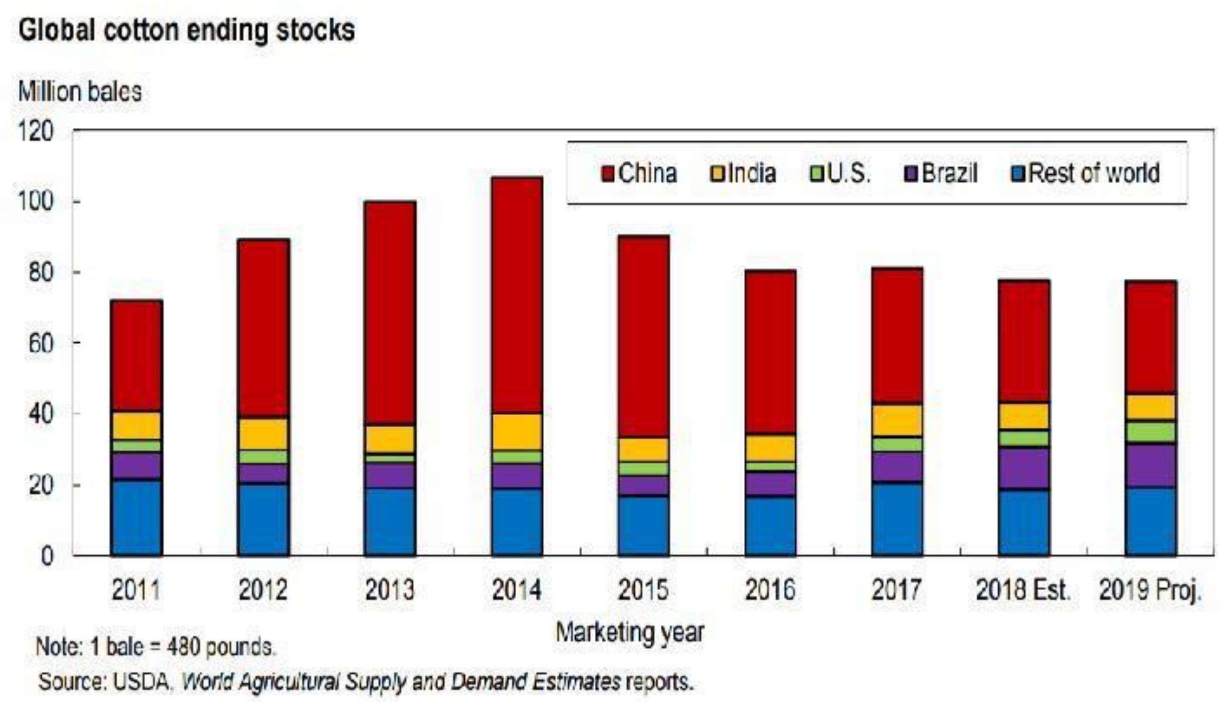
USDA projects 2019-20 cotton stocks lowest in 8 years

The world cotton ending stocks for 2019-20 are projected at 77.3 million bales for 2019-20, marginally below 2018-19 but 29.5 million bales below the record set just 5 years ago.

This would be the lowest since 2011-12, according to the latest US department of agriculture (USDA) cotton projections. China will hold 41 per cent of total cotton stocks.



"World stocks totalled 106.7 million bales at the end of 2014-15, with China accounting for 62 per cent of the total. Government policies in China resulted in surplus stock accumulations in their national reserve, but subsequent policies reduced these supplies and have led to lower global stocks," USDA said in its 'Cotton and Wool Outlook' report.

For 2019-20, cotton stocks in China are forecast lower at 31.5 million bales, which would be 41 per cent of the world total. Outside of China, cotton stocks are expected to rise 6 per cent to nearly 46 million bales, with stock increases in Brazil and the United States largely accounting for the gain.

For Brazil, stocks are projected to reach a record 12.5 million bales (16 per cent of the total) in 2019-20, resulting from an estimated record crop for 2018-19 and another large crop projected for 2019-20. For the United States, cotton stocks are forecast at 6.4 million bales, the highest since 2007-08.

Source: fibre2fashion.com- June 19, 2019

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China halts World Trade Organisation fight over market economy status

China has halted a dispute at the World Trade Organisation over its claim to be a market economy, a panel of three WTO adjudicators said on Monday, meaning Beijing must accept continued EU and US "anti-dumping" levies on cheap Chinese goods.

One trade official close to the case said so much of the ruling had gone against Beijing that it had opted to pull the plug before the result became official.

"They lost so much that they didn't even want the world to see the panel's reasoning," the official said.

Without a WTO ruling in Beijing's favour, the EU and United States can keep imposing duties on cheap imports from China while disregarding its claim that they are fairly priced.

China had insisted that they treat it as a “market economy”, countering their view that the price of Chinese exports could not be taken at face value due to state interference in the economy.

It took legal action saying that under its 2001 WTO membership terms it must be recognised as a “market economy” after 15 years.

“China believes that there can be no other plausible reading of this simple and unambiguous treaty language,” China’s WTO ambassador Zhang Xiangchen said at a WTO hearing in 2017, calling the text “crystal clear”.

But the United States and the EU disagreed. They said Chinese goods – especially commodities such as steel and aluminium – were still heavily underpriced because of subsidies and state-backed oversupply, giving Chinese exporters an unfair advantage.

The row had become an explosive issue for the United States, with President Donald Trump threatening to quit the WTO if the organisation did not “shape up”.

Chinese, EU and US officials did not immediately comment on the suspension.

Beijing launched disputes against Brussels and Washington at the WTO in December 2016. It only pursued the case against the EU, but asked to suspend legal proceedings on May 7, the panel said.

After an EU request to take certain considerations into account, China reiterated its request to suspend legal proceedings. The panel accepted and halted the case on Friday.

The official said China was on course to lose the bulk of the case, with only some minor points going in its favour.

“They were going to win something, but it was overshadowed by the huge defeat that they had on the main claim.”

Source: scmp.com- June 18, 2019

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China: Xinjiang textile firms hit by US tariffs

Companies eye shift to BRI markets, stay confident

As the US continues its widely opposed trade war with China, many textile companies in Aksu, Northwest China's Xinjiang Uyghur Autonomous Region have been hit hard by the US tariffs or, more precisely, the uncertainty of the trade war.

Still, many businesses remain surprisingly upbeat about their business prospects, as they shift their focus to the domestic and other markets under the China-proposed Belt and Road Initiative (BRI) and receive policy and other support from the government.

On a sunny Sunday afternoon, many companies in the massive Aksu Textile Industrial Park were closed for a one-day weekend. But a few remained open, including Aksu Hengchang Textile Ltd, where several workers were rushing to put the last touches to socks bound for the US market.

"We are trying to rush this to the US before the new tariffs," Hou Jianfu, owner of Hengchang, told the Global Times on Sunday. "If we cannot make it and we get hit by a 25 percent tariff, then we make nothing."

US officials have threatened to impose a 25 percent tariff on about $300 billion worth of Chinese products, including various textiles, apparel and footwear products. Despite widespread opposition, including from hundreds of US companies that have warned of dire consequences, the US appears to be moving forward with the tariffs.

Great uncertainty

"It is the uncertainty about the tariffs that really hurts us," Yang Xiaoqiang, executive chairman of Xinjiang Jinliyuan Garment Co, told the Global Times on Monday. "The whole garment industry is under a lot of pressure."

Due to such uncertainty, many companies in Aksu that make products for US companies such as Disney have already seen the impact, according to Wang Yongfeng, deputy head of the industrial park's management committee."Many companies here have been impacted. Some have seen their orders drop dramatically," Wang told the Global Times on Sunday.

To avoid potential losses, Hou of Hengchang said that his company has already slashed orders from US companies with delivery dates after August by two-thirds.

Yang also said that some US companies have cut orders from his company and one US brand even broke a contract worth 40 million yuan ($5.78 million) and still owes his company a final payment of 2 million yuan.

Some Chinese companies are trying to negotiate with US companies about prices after the tariffs. "The feedback from our US partners is that they will shift the tariffs to the consumers. But I don't know how that will work," Hou said.

Still confident

Despite the concerns, there was also a palpable level of confidence among the executives.

"The Xinjiang regional government has been a great help in areas such as financial incentives, labor recruitment and security," Yang said, noting that these benefits were the reason his company, which is based in East China's Shandong Province, moved part of its production to Xinjiang.

Aksu has become an increasingly popular alternative for many textile companies in traditional manufacturing hubs in China's eastern coastal areas, where production costs have risen sharply in recent years, prompting many to shift production, with some even moving their factories out of Southeast Asia.

For many companies, Aksu was a better choice than elsewhere in Southeast Asia, because, apart from relatively low labor costs, Aksu also offers a wide range of policy support for companies, including subsidies for construction of new factories, transportation and electricity costs, according to Wang.

In order to boost the local economy and create jobs for ethnic minorities in the region, the local government has invested 6 billion yuan and attracted 24 billion yuan more from companies in the industrial park, which is said to be the largest of its kind in the country with 100 companies so far.

Many companies have also moved to Aksu, which sits on the border with Kazakhstan and Kyrgyzstan, to explore markets in Central Asia and beyond.

"Part of the reason we moved here was to expand into the markets in all the neighboring countries," Hou of Hengchang said, noting that his company is already expanding into central Asian countries and the Middle East.

Jinliyuan has also been looking to other countries, as far away as Brazil. "We are now exploring other markets, as well as the domestic market," Yang said, noting that his company will start new brands and open as many as 150 new stores across China to sell its products. "Ultimately, I think we will be just fine," he said.

Source: globaltimes.cn- June 18, 2019

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What does Bangladesh gain from the US-China trade war?

As the US-China trade war intensifies, pundits on both sides of the Pacific and elsewhere are wondering: who is the real winner? Interestingly, it is not China or the United States, but countries like Bangladesh, Vietnam, and Chile that may reap the most benefits from a widening trade dispute between the world's two biggest economies. The impending effect of the trade war on supply chain dynamics and investment patterns could help Bangladesh emerge as a potential winner from the conflict.

China and the United States have been stable trade partners to Bangladesh for decades. The volume and value of trade Bangladesh has with both countries are significant. However, the nature of trade with both countries is different.

Bangladesh's top import partner is China, with Bangladesh importing over USD 15 billion in Chinese goods as of 2017. Meanwhile, the United States is the second largest destination for Bangladesh's exports, taking in more than USD 5.8 billion in 2017 (Germany was the largest destination at just over USD 6 billion).

The changes in the geopolitical relationship between the United States and China through this trade war have alarmed many countries that have trade stakes with these two nations—though this raises hope for Bangladesh. As the Asia Development Bank's chief economist Yasuyuki Sawada argues, "Trade war to generate additional USD 400 million exports for Bangladesh."

The garment sector is expected to reap the most benefits, as it accounts for 80 percent of Bangladesh's total exports. As the trade war escalated, the country's garment industry observed significant growth as American retailers are placing more work orders with Bangladesh in order to offset increasing tariffs. According to the US Office of Textile and Apparel (OTEXA), Bangladesh enjoyed a 6.46 percent growth in share in the United States' market during the first three quarters of 2018.

In 2012, a report by McKinsey forecasted that as ready-made garments from China declined, Bangladesh would become the next hotspot for textile manufacturing, and the Bangladeshi market would triple in value by 2020—up from USD 15 billion in 2010. This forecast entails China's gradual phasing out from labour-intensive industries to a higher value-added, high-tech, capital-intensive manufacturing sector and a greater Bangladeshi stake in labour-intensive industries such as the textile industry.

To avoid higher tariff, factories are relocating from China to elsewhere in Asia. Bangladesh has more competitive advantages than its competitors such as Cambodia and Vietnam. Due to the presence of strong unions, setting up factories in Cambodia is more challenging these days. Moreover, in contrast to 160 million Bangladeshis, Cambodia has a population of just 16 million, which gives Bangladesh a competitive edge for this labour-intensive industry.

Due to higher wage and production costs, Vietnam also looks less attractive to investors. The minimum wage in Bangladesh is currently USD 95 per month, which is almost half of USD 182 per month in Cambodia and USD 180 per month in Hanoi and Ho Chi Minh City.

Unlike Chinese foreign direct investment (FDI), Bangladesh can also benefit by increasing imports from the United States. According to the American Farm Bureau Federation, soya bean exports to China have declined by 97 percent after China's tariffs on American soya beans came into effect.

Currently, Bangladesh imports 2 million tons of crude vegetable oil, of which 30 percent or 600,000 tons is soya bean; 98 percent of those soybeans come from Argentina, Paraguay, and Brazil. If the country can redirect its supply chain from Latin America to the United States, it may have the potential to supply oil to consumers at cheaper prices without sacrificing profits in the long-run.

Moreover, being the 51st largest trading partner of the USA, Bangladesh enjoys USD 4.0 billion trade surpluses. As President Trump is going after one trade-surplus country after another, Bangladesh, by importing soya bean from the USA, can be benefited both by getting it at a cheaper rate and reducing the trade deficit that may ultimately contribute to stronger bilateral relations.

Furthermore, Bangladesh and other low-income countries in South Asia face US duties of 15.2 percent of the total value of exports, which has a possibility to ease if the US wants to increase imports from these countries to minimise its gap from China.

The majority of steel demands of Bangladesh come from importing scrap iron from the United States and its domestic ship-breaking industry. However, the US imposed a 25 percent tariff on all steel imports in March 2018, in efforts to revitalise its declined steel industry.

This action led the US suppliers of scrap iron to store their reserves in anticipation of higher tariffs. Consequently, Bangladesh has seen a significant rise in the price of rod, an important product required for its many infrastructure projects.

In 2017, Bangladesh scrapped 25 percent of the ships dismantled worldwide and it is considered as a prospective industrial sector. In light of growing development projects, the country might craft an industrial policy to develop its shipbreaking yards, hoping to source a greater amount of cheaper steel domestically, which is already providing more than half of the country's steel supply.

Although Chinese policymakers are seeking to tighten capital flows in hopes to prevent a depreciation of the yuan, China's increasing involvement in various projects of Bangladesh may mean these constraints will not be as effective in the case of Bangladesh.

Additionally, Bangladesh sees an increase in foreign direct investment (FDI) from China to be higher than forecasted through factory relocations, especially in the growing export processing zones (EPZs), as the trade war increases the costs of doing business in China.

Furthermore, since Bangladesh is a member of the Belt and Road Initiative (BRI), it is more meaningful for China to increase the investment in sectors of Bangladesh that are affected in China by the trade war.

Beijing's support of Bangladesh was evident in the 27 agreements for investments and loans signed by the two countries—amounting to USD 24 billion—when President Xi Jinping visited Dhaka in 2016.

The net FDI from China into Bangladesh exploded after Xi's visit. It increased to USD 506 million in the 2017-18 financial year, which was only USD 68.5 million in 2016-17, according to The Financial Express.

Putting all these together, it clearly appears that the unwarranted trade war between the United States and China opens a sudden window of opportunity for Bangladesh. However, whether the country can reap those benefits will depend on a host of factors.

Bangladesh is struggling with a crumbling infrastructure, a weak rule of law regime, and a poor business environment. Many observers are also alarmed that Bangladesh government's excessive and reckless borrowing from Chinese credits may put the country in a longer-term debt trap, like some other countries.

It is, therefore, critical for Bangladesh to work on a favourable policy regime to seize new opportunities as they come by, and to provide enabling conditions for more foreign direct investments—all by avoiding unintended risks and consequences.

Source: thedailystar.net- June 19, 2019

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Rethinking our education system to inspire innovation

Bangladesh's apparel industry has changed dramatically over the nearly 40 years since its inception, enjoying rapid expansion, employing some four million people (with 65 percent of the workforce being female) and contributing over USD 32 billion to the nation's economy last year.

Although the country's readymade garment (RMG) industry is well-positioned, ranked the second largest globally after China, and is the largest contributing sector to the nation's economy, all of us involved in the RMG business are aware of the intense competition that exists in the global textile industry. We can no longer assume that reliance on a low-cost workforce will ensure the future success of our industry.

Times are changing and as Bangladesh continues to advance towards the developing country status, RMG companies are embracing innovation that can benefit the supply chain across the whole spectrum of operations (from purchasing of raw materials to CAD tools that expedite the whole product design and development process, maximise fabric utilisation, reduce standard minutes in garment manufacturing, reduce laundry costs and the possibility of rejected sub-standard product, through to the delivery of the finished item).

Aside from the above gains, innovation has been proven to contribute towards the sustainable and ecological impact of the whole sector, improving working conditions and minimising both the social and environmental impacts of the industry. Furthermore, the Organisation for Economic Co-operation and Development (OECD) estimates that as much as 50 percent of economic growth in its member countries can be accounted for by innovation activity, and that this contribution will grow. Innovation has also been proven to drive productivity growth in the OECD member countries and the competitive advantage of businesses.

It is interesting that given the importance of innovation for the RMG industry and, by implication, the nation as a whole, there appears to be a lack of support for the development of innovation within our educational system and institutes in Bangladesh. And this is a situation that needs to be addressed.

Currently, the vast majority of innovation introduced in the RMG sector and other areas of the economy (infrastructure projects and construction of new EPZs, for example) is mostly being purchased from foreign companies. Not only does this involve the procurement of physical machines and technology that comes with them but it also generally involves the contracting of foreign nationals to ensure the correct implementation of the product or project and the general upkeep of that product when it is in place.

But where is the investment necessary for the nurturing of innovation? We cannot continue to rely on investment and expertise from outside our shores. Although they offer a short-term solution, they leave the Bangladesh RMG industry dependent upon the services and innovation of foreign companies at a time when the industry should be finding its own solutions to problems that it will, undoubtedly, face.

As Suzie Boss, writer and educational consultant, states in her book Bringing Innovation to School: Empowering Students to Thrive in a Changing World: "The first step in teaching students to innovate is making sure that educators have opportunities to be innovators themselves." This line of thought is further echoed by an article in Forbes magazine from April 2018 regarding the reinvention of India as a leading nation of innovation.

The article highlighted the importance of a strong educational framework to act as "a support system to build an innovation-positive environment." As we become a more advanced nation, with technology increasing the flow of information and access to knowledge, there is a need for a "newly educated workforce with different demands on skills and competencies."

This line of thought is crucial for the future development of both the Bangladesh RMG industry and the nation as a whole. If we are to develop innovation locally and transform the "first in Bangladesh" culture, utilising imported technology and expertise, into a "first in the world" environment, where our expertise is not only used domestically but also internationally, then our education system needs to step up to the mark.

How will the Bangladesh RMG industry continue to develop if we fail to nurture homegrown talent in the field of innovation? We are blessed with a population of some 167 million people, 70 percent of whom are under the age of 40. However, only 72.8 percent of the population over 15 years of age is literate (compared to 94.5 percent of the population in Vietnam, the new

RMG "star" in the region) with a GDP expenditure of only 2.5 percent on education, compared to 5.8 percent of GDP in Vietnam. Even with the relatively small amount of expenditure on education in Bangladesh, little or none is used to encourage the development of innovation within our educational system.

Surely, it is time for the government to start investing in and improving both current and future employees' tech capabilities and literacy so that we can encourage future generations to embrace advances in technology and the benefits that innovation can bring. They must not only be conversant with these advances but also be able to innovate so that they can create things that we can proudly call our own.

Encouraging and developing innovation throughout the entire educational system will require a sea-change in approach by local and national authorities. We need to ensure that the teachers themselves are equipped with the necessary skills.

The RMG industry and other interested parties should also be involved in the process, not only to ensure that the correct levels of innovation are being encouraged but also to ensure that the newly emerging talent can find suitable employment where their skills can be best utilised.

Innovation and technology are changing how our customers' apparel product is designed, produced, laundered, packaged, shipped and sold. If developing economies such as Bangladesh wish to remain competitive during this time of change, the government and stakeholders in the RMG sector need a change of approach when it comes to how they think about innovation within the RMG industry.

Source: thedailystar.net- June 19, 2019

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Bangladesh recognises global home textile hub

Export stood at $823 m in eleven months

The government set the export target amounting US$ 853.23 m for outgoing fiscal 2018-19 but earning was $823 m. Export earning in 2017-18 fiscal was US$ 940 m against the targeted US$ 878.68 m

Country's home textile business has a bright future to see the huge potentiality in the international market. Experts have underscored the need for creating updated thinking and sufficient research opportunities to develop the products. Meanwhile, the new entrepreneurs and investors are showing their keen interest to involve with this sector. Apart from this, the government's continuous collaboration and proper policy supports can boost up the industry.

However, the government has set the export target amounting at US$ 853.23 million for the eleven months (July to May) of the just concluded fiscal 2018-19. The export was $823 million. Export of home textile declined by 6.14 percent to consider the export target .

The target for the fiscal is $878.68 million. Home textile export earning was $940 million in fiscal year 2017-18. Industry insiders said Bangladesh is emerging as one of the leaders in global home textile production and export arena.

Home textile is one of the first line export sector in Bangladesh also known as decorative textile. the country's production of the home textile is being increased gradually because of its quality and diversified range of products. In recent times, many entrepreneurs are showing keen interest to invest in this sector to see the potentiality of the sector.

Large stakeholders are expanding their manufacturing plants for home textile. Bangladesh exports different types of home textile products including bed sheet, bedspreads, pillow, pillow covers, cotton table napkins, furnishing fabrics, curtains, window and door curtains, cushion, cushion covers, carpets, table covers, kitchen accessories, mattress covers, bath linen, and so on.

The home textile market registers a robust growth and experts say the demand is expected to reach 160 plus billion dollars by 2025. The United States and EU countries import lion’s share of home textile products, which is 60 to 70 percent of the global market. In addition, the exporters of these products are China, India, Pakistan, Turkey and Bangladeshi entrepreneurs mainly.

Just a decade ago, buyers thought that home textile products are only produced in China, India, Pakistan and Turkey. However, the situation has been changed and the name of Bangladesh has been added with these countries, according to the Bangladesh Terry Towel & Linen Manufacturers Exporters Association (BTTLMEA).

Experts believe that Bangladesh’s position in this sector will reach in the top soon. New investments in fabrics and garments manufacturing are playing a key role in establishing Bangladesh’s dominance in the US and EU markets.

However, manufacturers are also investing in research and development of high-end products, helping them get a better price. Meanwhile, improvement of the safety standard in the apparel industry has also drawn the attention of more global buyers.

Currently, country’s home textile industry is aware of the trend in international markets towards the increasing demand for healthier and more environmentally friendly products.

However, the creation of collections with innovative and modern designs and motifs is essential. Bangladeshi home textile manufacturers are very conscious about fashion creation and design, which enables them to gain a special place in international markets.

Source: dailyindustry.news- June 18, 2019

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Pakistan: Dullness prevails on cotton market

Trading on the cotton market remained restricted on Tuesday and a declining trend in prices was witnessed. The Karachi Cotton Association (KCA) kept its spot rate firm at Rs8,800.

Cotton experts said a fall of Rs100 was recorded in lint rates and Rs50 in price of phutti (seed cotton). Overall, ginners avoided entering in deals.

In a press release issued on Tuesday, the KCA strongly opposed the proposal of the government to impose ten per cent sales tax on raw cotton at local stage in federal budget with a view to generate its revenue.

The Pakistan Cotton Ginners Association and Pakistan Kisan Itehad (PKI) also opposed the idea to impose sale tax on raw cotton.

Addressing a press conference jointly PCGA Vice Chairman Maher Muhammad Ashraf Mahaar and PKI Central President Khalid Mehmood Khokhar said that there was no support price for cotton.

Mr Mahaar said prices of phutti will reduce by up to Rs500 if the GST is imposed which will affect farmers directly. Also per acre yield will also fall, he added.

The following deals of new and old crop were reported to have transpired on ready counter: 400 bales, station Sanghar, at Rs8,500; 1,000 bales, Tando Adam, at Rs8,400-8,500; 200 bales, Mailsi, at Rs8,750; 2,000 bales, Rahim Yar Khan, at Rs8,850; 1,200 bales, Daharki, at Rs9,050; 1,000 bales(long staple), Ghotki, at Rs9,200; and 2,000 bales, Alipur, at Rs8,000.

Source: dawn.com- June 19, 2019

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NATIONAL NEWS

Khadi's share in textile production doubles in 5 years

The share of Khadi fabric in the total textile mill production has doubled to 8.49 per cent in five years to 2018-19, the Khadi and Village Industries Commission said Tuesday.

While the mill fabric production was 2,486 million square metres in the 2014-15 fiscal, the production of Khadi was 105.38 million square metres — showing a share of 4.23 per cent of the overall textiles production.

The mill fabric production dropped to 2,012 million square metres in 2018-19 while the Khadi fabric production was 170.80 million square metres — a share of 8.49 per cent in overall fabric production.

Khadi and Village Industries Commission (KVIC) Chairman Vinai Kumar Saxena said the rise in Khadi fabric production from 4.23 per cent to 8.49 per cent could be possible due to Prime Minister Narendra Modi's clarion call to adopt Khadi.

"It is encouraging for us that rise in share of Khadi production in the textiles sector in the last five years has gone from 4.23 per cent to 8.49 per cent, which is more than 200 per cent. While from 1956 to 2013-14, the Khadi sector fabric production could reach the figure of 105.38 million square metres, in the last five years (from 2014-15 to 2018-19) it produced another 65.42 square million metres," he said.

Saxena further said that the number of artisans are increasing in the Khadi sector because of the new policies and initiatives taken by MSME Ministry and KVIC in recent years.

"We started registration of new Khadi institutions for widening the scope for employment as well as revival of defunct Khadi institutions, consequently rising the artisans number to 4,94,684.

Not only that, the KVIC had also laid stress on many artisan-centric programmes since 2015 like distribution of 32,000 New Model Charkhas and 5,600 modern looms," he added.

Source: thehindubusinessline.com - June 18, 2019

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Textiles and apparel exports grow 5 per cent in May

Led predominately by the apparel sector, the textile and apparel (T&A) exports for May grew 5.25% to $3.152 billion as compared to $2.995 billion in the same period last year. For the first two months of the current financial year, T&A exports grew 2.26% to $6.065 billion as against $5.931 billion in the same two months of the previous fiscal, said the Confederation of Indian Textile Industry (CITI).

Textile exports in May declined 1.94% to $1.624 billion as against $1.656 billion in May 2018 and, for the first two months of the current fiscal, it declined 3.55% to $3.128 billion as compared to $3.243 billion in the April-May period of 2018.

However, on the other hand, apparel exports grew 14.15% in May to $1.528 billion as compared to $1.338 billion in May 2018. For the first two months of current fiscal, it grew 9.27% to $2.937 billion as against $2.688 billion in April and May 2018, CITI said in its analysis.

The largest segment under textiles category — cotton yarn/fabs/made-ups, handloom products — has reported a decline of 5.94% in May to $885 million (from $941 million in May 2018).

For the first two months of the current financial year, it declined by 5.89% to $1.729 billion (from $1.837 billion in the same period last year). Other segments in the textile category such as jute manufacturing, carpet, handicrafts saw growth of 7.86%, 1.54% and 23.87%, respectively, in May.

CITI analysis further said imports of textile yarn fabric, made-ups in May grew 9% to $175.79 million as compared to $161.17 million in May 2018. And for April and May, the imports of these item grew 11.72% to $320.78 million as against $287.13 million.

Source: financialexpress.com - June 19, 2019

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Cotton imports may rise to 22 lakh bales during the current season

Lower international prices lead to surge in shipments

Import of cotton in the 2018-2019 cotton season is expected to be 22 lakh bales, almost seven lakh bales higher compared with the previous season.

The Cotton Advisory Board, which met on Tuesday, estimated (provisional) cotton production this season (October 2018 to September 2019) to be 337 lakh bales of 170 kg each.

"Though the area under cotton has been almost the same for the last two years, productivity has dropped. The board, in its previous meeting, estimated production in the current season to be 361 lakh bales. However, it is learnt that farmers did not go in for the fourth or fifth pickings for various reasons. Hence, the production estimate was revised," said K. Selvaraju, secretary general, Southern India Mills' Association, who took part in Tuesday's meeting.

"In our estimate, the actual imports can be between 28 lakh bales and 30 lakh bales when the season ends. The board has estimated it to be 22 lakh bales," he added.

The international price of cotton is lower compared to the domestic price. It is not just the mills, but traders are also importing, especially African cotton. There are offers for American cotton too, added J. Thulasidharan, president of Indian Cotton Federation.

Meanwhile, cotton consumption (total demand) during the current season is expected to be lower at 361.5 lakh bales as against 386.65 lakh bales last season. Exports are expected to be just 50 lakh bales though the board earlier estimated it to be 65 lakh bales. Consumption of cotton by the domestic textile mills has dropped as yarn production has reduced, Mr. Selvaraju said.

Prices of cotton in the domestic market have remained largely stable though it is higher than international prices, and the season is likely to end with adequate closing stock (neraly 40 lakh bales). If all the cotton- growing areas are covered by the monsoon rains by the first week of July, production next year will be good, Mr. Thulasidharan said.

Source: thehindu.com - June 18, 2019

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Readymade garment exports rise in May

'Government scheme aids industry'

Export of readymade garments has increased 9.25% in April-May this year compared to the corresponding period last year.

"This is clearly because of the support announced by the government in March 2019 for garments and made-ups," said Sanjay K. Jain, chairman, Confederation of Indian Textile Industry. The Centre announced a Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) in March.

"April and May are usually lean months for exports. But there has been pick up during these two months. We are awaiting operationalisation of the Scheme for Rebate of State and Central Taxes and Levies," according to Chandrima Chatterjee, adviser, Apparel Export Promotion Council.

The scheme is expected to be implemented shortly. When it was announced, garment exporters gained confidence that they will be competitive internationally as all taxes paid by the exporters would be refunded.

Garment exports grew 14.15 % in May compared with the same period at last year. Garments worth $1,528.02 million were exported in May this year compared with $1,338.57 million in May last year, Mr. Jain said. However, textile exports dropped 1.94 % in May this year compared with last May. "We are just two months into this financial year. As we go along, export of textiles will pick up.

"There is a slowdown in China and so, export of yarn and fabric to this market was down. But, it will pick up in other markets," said Siddhartha Rajagopal, executive director, Cotton Textiles Export Promotion Council.

The government is considering extension of the RoSCTL for all textile products, added Mr. Jain. However, textile imports grew 9.01 % in May this year compared with last May. India provides free access to garments from Bangladesh. So, imports are on the rise, he said.

Source: thehindu.com- June 18, 2019

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Govt to verify exporters' claims before sanctioning IGST refund

Experts say the move will delay the process of issuing refunds

With the government detecting fraudulent refund claims by exporters, the Central Board of Indirect Taxes and Customs (CBIC) has asked customs and GST officers to closely verify the claims before sanctioning them.

The CBIC has also asked Director-General (Systems) to identify a list of "risky exporters" and share it with customs and GST officers, so that an alert can be generated for 100 per cent examination of their export consignments.

Currently, Integrated GST (IGST) refunds are issued to exporters automatically based on shipping bills filed with customs and GST returns filed with central tax authorities.

The refunds are issued within a fortnight of filing of returns without any manual intervention.

Tax experts said the move to verify the refund claims would delay the process of issuing refunds to exporters.

In a letter to field offices, the CBIC said it has observed instances of availment of IGST refund using fraudulent input tax credit (ITC) claims by some exporters.

"Exporters have availed ITC on the basis of ineligible documents or fraudulently and utilised that credit for payment of IGST on goods exported out of India. It has also been observed in several cases that there is huge variation between the FOB (freight on board) value declared in the Shipping Bill and the taxable value declared in GST return apparently to effect higher IGST pay out leading to encashment of credit," the CBIC said.

"It has been decided to verify the IGST payments through the respective GST field formations," the CBIC said.

It said the GST policy wing will devise a standard operating procedure (SoP) for GST officers to verify the IGST refund claims.

The GST officers will report to the Chief Commissioner of central tax in 30 days specifying whether the amount of IGST paid and claimed/sanctioned as refund was in accordance with the law or not. The Chief Commissioner of central tax will then share the report with customs port within five working days.

In cases where no malpractices are detected and the ITC availed by the exporter is in accordance with the GST law, the customs officer at the port of export will proceed to process the IGST refund.

The CBIC said DG (systems) shall work out the suitable criteria to identify risky exporters at the national level and forward the list of said risky exporters to the Risk Management Centre for Customs (RMCC) and respective chief commissioners of central

AMRG & Associates Partner Rajat Mohan said, "Increased verification and corroboration from custom officers and central tax officers would push back the digital initiatives of government resulting in genuine hardship for exporters."

Source: thehindubusinessline.com- June 18, 2019

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Want reciprocal market access for Indian goods: Minister

Indian minister of commerce and industry Piyush Goyal emphasised the need for reciprocal market access for Indian products at a series of bilateral talks with several countries on the sidelines of the G20 Ministerial on Trade and Digital Economy in Japan's Tsukuba recently. The countries include China, France, Singapore, Canada, South Africa and Australia.

Goyal said the slowdown in global trade and investment is of serious concern to all as it adversely affects economic growth, development and job creation. He called for de-escalating trade tensions and reviving confidence in the World Trade Organisation (WTO), according to an official press release.

The Commerce Minister said that while India is committed to working towards building free trade, that is inclusive and development centric to bring prosperity to people around the world, focus on the imperatives of meeting the US sustainable development goals (SDGs) and eliminating poverty and deprivation must not be lost.

He said greater participation of micro, small and medium enterprises is needed in developing countries, both in domestic and global trade, because they are crucial for jobs and income generation.

Source: fibre2fashion.com- June 18, 2019

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Crop sowing lags on slow monsoon progress

Planting of summer-sown crops in India such as soybean, cotton, rice and corn has been delayed by at least two weeks because of the slow progress of monsoon rains in central and western parts of the country, raising concerns over lower production.

Lower production of soybeans could force India to raise imports of edible oils such as palm oil and soy oil, while a drop in cotton output could limit the world's biggest fibre producer's exports. Lower rice output could hit shipments from the world's biggest exporter.

"Monsoon rainfall is delayed. Farmers could not start sowing on the time," said Atul Ganatra, president of the Cotton Association of India. Farmers have so far planted summer-sown crops on 8.22 million hectares (20.3 million acres), down 9% compared with the same period a year ago, according to provisional data from the ministry of agriculture. Cotton sowing is down 9.4%, while soybean planting has lagged 51% during the period.

Monsoon rains hit Kerala nearly a week later than normal earlier this month. Progress was slowed further last week because of cyclone Vayu that drew moisture from the Arabian Sea. Monsoon rainfall was 43% lower than normal so far in June, but in some states, such as Maharashtra, the rainfall deficit was as high as 68%, data compiled by the state-run India Meteorological Department (IMD) showed.

In Maharashtra and MP, key producers of soybean, cotton, sugar and pulses, rainfall will remain below average this week but could pick up from the week after, said a senior IMD official, who declined to be named. “From the next week, the monsoon could gain momentum,” the official said.

Typically, the monsoon covers most parts of Gujarat and Madhya Pradesh by mid-June, but so far this year monsoon has not even fully covered the southern state of Karnataka, a producer of sugar and corn, IMD data showed.

Monsoons deliver about 70% of India’s annual rainfall and are the lifeblood of its $2.5 trillion economy, spurring farm output and boosting rural spending on items ranging from gold to cars, motorcycles and refrigerators.

“Rainfall delay is a cause of concern for oilseed farmers. If rainfall delays further, it could change sowing patterns and could hurt crop yields as well,” said BV Mehta, executive director of the Solvent Extractors’ Association of India (SEA).

Farmers cannot use water from reservoirs as many have dried up in western India after the region received lower rainfall than normal in 2018, he said.

For the June to September monsoon season, India is likely to receive 96% of the average of rainfall received during the past 50 years, the IMD forecast last month.

Source: financialexpress.com- June 19, 2019

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Reinstate India as a beneficiary developing nation under GSP: US senator

"I hope we can work to solve our issues with India so they can be reinstated into the GSP," Senator Robert Menendez told Lighthizer during a Congressional hearing

A top American Senator, from the opposition Democratic Party, on Tuesday urged US Trade Representative Robert Lighthizer, to reinstate India into the Generalized System of Preference, which President Donald Trump has terminated.

India's designation as a beneficiary developing nation under the key GSP trade programme was terminated by Trump after determining that it had not assured the US that it will provide "equitable and reasonable access to its markets". The termination is effective from June 5.

"I hope we can work to solve our issues with India so they can be reinstated into the GSP," Senator Robert Menendez told Lighthizer during a Congressional hearing Tuesday.

But at the same time, he appeared to be supportive of the concerns of the Trump administration with regard to India.

"You have to know that if I'm a trading partner I want to have some predictive ability and when I make a deal with you and then you start tariffs on me for something that has absolutely nothing to do with trade then that is unpredictable," Menendez said.

Lighthizer did not directly respond to the question from Menendez in this regard, but in his opening statement said the Trump administration has been reviewing the GSP eligibility.

In the last one month, President Trump has terminated GSP benefit of two of his closest allies and friend Turkey and India.

"We at USTR are very much focused on changing these rules where they are unfair to American farmers, ranchers, workers, and businesses. This has included renegotiating KORUS, which you are aware, and NAFTA, which you have just discussed and will discuss further," Lighthizer said.

"We also have been reviewing GSP eligibility; actively engaging in TIFA talks with many, many countries ; and reviewing the rules and functions of the WTO. USTR has also been active in enforcing the existing obligations of our trading partners," he said.

"We've brought many WTO cases. We've filed counter notifications at the WTO and worked with other WTO members on a proposal to improve compliance with the existing WTO notification obligations," Lighthizer said.

The USTR, he said, has engaged directly with trading partners under existing agreements.

For example, the US has successfully resolved concerns with Peru after requesting the first-ever environmental consultations in the US-Peru trade promotion agreement.

President Trump, he said, is troubled by the huge and persistent trade deficits which the US has with many countries.

"These deficits are the result of many factors, faster economic growth, currency valuations, and to some extent tax policy, but they are also partially the result of trade rules that often times are unfair and lock in non-economic advantages for our trading partners," he said.

The USTR, Lighthizer said is very much focused on changing these rules where they are unfair to American farmers, ranchers, workers, and businesses.

Under the GSP programme, nearly 2,000 products including auto components and textile materials can enter the US duty-free if the beneficiary developing countries meet the eligibility criteria established by Congress

India was the largest beneficiary of the programme in 2017 with USD 5.7 billion in imports to the US given duty-free status and Turkey the fifth largest with USD 1.7 billion in covered imports, according to a Congressional Research Service report issued in January

The GSP criteria includes, among others, respecting arbitral awards in favour of the US citizens or corporations, combating child labour, respecting internationally recognised worker rights, providing adequate and effective intellectual property protection, and providing the US with equitable and reasonable market access.

Countries can also be graduated from the GSP programme depending on factors related to economic development.

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

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Alok Vardhan Chaturvedi gets extension as DGFT

Senior bureaucrat Alok Vardhan Chaturvedi was on Tuesday given extension of over three months as Director General of Foreign Trade (DGFT), a Personnel Ministry order said.

Chaturvedi, a 1986 batch IAS officer of Bihar cadre, will continue upto September 30, i.e. the date of his superannuation, beyond June 18, it said.

He is Director General, Directorate General of Foreign Trade (DGFT).

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

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GSP withdrawal by US may moderately hit gem and jewellery exports: Crisil

The withdrawal of GSP will affect exporters of gems & jewellery the most because 15% of such exports availed of its benefits in 2018.

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

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

"The withdrawal of GSP will affect exporters of gems & jewellery the most because 15% of such exports availed of its benefits in calendar 2018. Now there will be an additional duty of 7% on exports of precious metal-based and imitation jewellery. That will reduce competitiveness of domestic exporters and put pressure on margins," said Hetal Gandhi, director, CRISIL Research.

To be sure, the gems & jewellery sector is already under pressure on account of stringent lending rules and working capital crunch. India tops the list of exporters to the US in this category, with more than 15% share.

However, increasing competition from Israel, Mexico and Canada remains a monitorable.

Indian companies also face intense competition for exports of pharmaceutical products to the US from the likes of Ireland, Germany and Switzerland. The US market accounts for 35-37% of Indian formulation exports. However, the impact of GSP withdrawal on pharmaceuticals is minimal.

In apparels, developing nations such as Vietnam, Indonesia and Bangladesh have been increasing their share in overall exports to the US. The impact of GSP withdrawal on apparel exports is minimal. Given this, the 4% subsidy offered by the government under the Merchandise Export Incentive Scheme (MEIS) remains a monitorable in this

category. If MEIS benefits are not renewed, it would lead to deterioration of export competitiveness, thereby impacting exports to the US.

That said, there have been instances of the US reinstating GSP status after withdrawing it – such as for Argentina, Liberia and Myanmar – based on certain criteria.

The bigger issue, however, is the spectre of trade tightening for India that the move raises.

The US accounts for over 15% of India's exports of goods, though from a US perspective, imports from India are barely 2% of the pie.

The US's trade deficit with India has declined continuously over the past five years, from $31 billion in calendar 2014 to $24.2 billion in calendar 2018. This is because India's exports to the US have logged a compounded annual growth rate of 6%, while its imports from the US have run up at 11%.

Source: economictimes.com- June 18, 2019

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Competition Commission starts study of e-commerce market

Fair trade watchdog CCI has started a study of e-commerce market, including business practices and identify any possible impediments to competition in the fast-growing sector.

The Competition Commission of India's move also comes at a time when there are concerns about alleged unfair business practices by online players and other entities.

A market study of e-commerce market in India is being conducted in view of the rapid growth and the rising importance of online trade in a large number of goods and services in the country, an official release said Tuesday.

The study will look at market trends with a particular focus on emerging distribution methods and strategies in response to e-commerce to understand business practices and contractual provisions, their underlying rationale and implications for competition.

It would also seek to identify impediments to competition, if any, relating to e-commerce to ascertain enforcement and advocacy priorities for the watchdog in the sector.

"The study intends to cover such products where the growth of online commerce has been the most significant, including both goods (such as electronics, mobiles, lifestyle etc) and services (travel and hospitality, food delivery)," the release said.

The preliminary findings of the study will be presented at a workshop to be held August.

The final study report is expected to be published in the third quarter of 2019-20, the release said.

"The e-commerce study does not form part of any investigation and/or inquiry in any of the proceedings pending before the CCI.

"The study of e-commerce is necessary given the novel issues and challenges that digital markets bring forth for competition regulation," it said.

According to the release, market studies contribute significantly to the capacity of competition authorities in appreciating competitive dynamics in markets and can also form a useful basis for competition advocacy.

The study would allow the regulator to develop a better understanding of the functioning of e-commerce in the country and its implications for markets and competition, it added.

"The enterprises concerned include e-commerce platforms, manufacturers, wholesalers/ retailers, hotels, restaurants and payment systems," the release said.

The study will be a combination of desk research, market survey and stakeholder consultation. Qualitative and quantitative information is being collected from secondary and primary sources.

Designed by a market study team at the CCI, it is being implemented by an external agency that has been engaged for the purpose, the release said.

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

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Labour shortage hits city's textile industry

Decline in arrival of migrants, shortage of skilled workers trouble manufacturers

The centuries-old textile industry of the city of the Golden Temple, which was once known as the 'Manchester of India', is struggling due to labour scarcity.

Punjab Pradesh Beopar Mandal (PPBM) president Piara Lal Seth says there is a shortage of about 30 to 40 per cent skilled and semi-skilled artisans in the local industrial units. According to him, there are several reasons behind the same. The textile industry records annual turnover in hundreds of crores. A variety of textile products, including suit, shirt, shawl, stole, blanket, denim, tweed and blazers among others, are being manufactured here.

Barring a handful of mega units, the textile industry here comprises micro, small and medium enterprises (MSMEs). Currently, popular kinds of powerloom are powerloom plain, automatic, shuttle-less rapier looms with electronic jacquards and the latest entrant jet shuttle-less looms.

A large number of units in the small and medium category have shifted to computerised rapier shuttle-less looms over the last decade. These units now grapple with shortage of technicals hands and engineers to operate and mend these looms.

The computer-operated looms can weave yarn, like cotton, polyester, silk, span, nylon and produce international standard clothes. Several units in the state have turned to the state-of-the-art dobby and shuttle-less looms.

Seth, who is also operating a textile unit, says government's "indifference" can be judged from the fact that no textile policy has been devised after the one enacted in 2006. He feels that after agriculture, textile is the most labour-intensive sector offering employment to a high number of people.

Another seasoned industrialist, Kamal Dalmia, puts it another way. He says the young generation coming out of technical institutes want to work on those machines which are operated through laptops while sitting in air-conditioned rooms. He says that teachers need to make them psychologically ready to work even in mediocre surroundings.

He says that another reason behind worker shortage was the decline in arrival of migrant workers from the UP and Bihar. He added that arrival of migrant labourers came down by 60 to 70 per cent in the past couple of years.

The city-based textile products is sold in Uttar Pradesh, Bihar, Jharkhand, West Bengal, Madhya Pradesh and Southern peninsula states. High quality tweed, blazer, shawls and stoles are also sold to Japan, Norway, Sweden, Switzerland, UK, France, Germany, Spain, Belgium, Finland, Denmark, Italy, USA, Canada, Brazil, Hong Kong, Saudi Arabia, UAE, Russia, Australia, Brazil, Mexico, South Africa and other countries.

Rough estimates suggest export from Amritsar stands at about Rs 200 crore.

Source: tribuneindia.com- June 18, 2019

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From Vedic era to modern fabrics: The fascinating journey of Indian textiles

Cotton was and remains India's favourite choice of fabric for everyday use, owing to the hot and humid climate in most parts of it.

From silk strands found in jewellery excavated from Harappa and Chanhu-daro, and a cotton fragment found attached to a metal tool in Mohenjo-daro, to modern synthetic fabrics, India's journey in the field of textile is long and chequered. Interestingly the Sanskrit word for cotton is karpasa, which is related to the Latin carbasus and Greek karpos.

While there are no doubts that cotton cloth was used in the Harappan times, the Vedas however do not make any direct references to cotton, though there are innumerable references to spinning, weaving, and designing of textiles (guna, dasa, tusa, tarka, etc).

Many needles and spindles found at the Harappan sites suggest that woven clothes were worn that were embroidered. The various temple sculptures and the Ajanta wall paintings give us a beautiful insight into the textile types in vogue at that time.

The Ajanta frescoes depict the various musicians, dancers, servants, and aristocracy wearing separate lower and upper garments with patterns of resist tie and dye, brocade and ikat. There are also distinct differences between the clothes worn by the rich, the poor, and the priests.

In ancient India, both stitched and unstitched lengths of cotton and silk were used for draping around the body. Men wore a turban (usnisa), a lower garment around the waists (nivi), and a shawl like upper garment draped across the shoulders (paridhan).

The women too draped a cloth around their waists (candataka), and sometimes draped a vasana as their upper garment. These garments were worn keeping the climate and trends in mind, and a glance at their costumes, especially that of the women, would tell their varna, marital status, region of origin, and social status.

Cotton was and remains India's favourite choice of fabric for everyday use, owing to the hot and humid climate in most parts of it. Therefore, it is not surprising that India was the first nation to have grown, woven, and patterned cotton fabrics. Bengal weavers with their fine cotton muslins, cotton weavers of Andhra Pradesh who created kalamkari, and Gujarat with their block printed resist-dye fabrics were the lead exporters in ancient global cotton trade with Mesopotamia, Egypt, Roman empire, and South East Asian countries.

Silk, on the other hand was kept reserved for important religious functions and other special occasions, as evident from a 5th century CE temple dedication to Surya by the silk weavers' guild. The unstitched cloth draped around a woman's body that we now term as the sari remains a constant and unchanged affair from ancient times. The word sari is a distortion of the Prakrit term śāḍīa, which originated from the Sanskrit word śātī or śāḍī, meaning a cloth strip. Draping a saree perfectly that would flatter one's figure has always been an art by itself.

There are many references to the art of draping a sari perfectly in ancient Indian literature, such as satavallika or a sari with many fine folds, hastisaundaka or pleats like an elephant's trunk, or matsyavalaka meaning pleats that take the shape of a fish tail. It is believed that the uttariya that was worn like a shawl over the shoulders, and antariya that formed the lower garment, fused sometime between 2nd century BCE and 1st century CE to form the long strip of cloth known as the śāḍī.

Among the most famous weaves of India is the fine cotton muslin that has been the leading textile export to different parts of the world in ancient and medieval times.

Muslin finds mention in different old travel accounts of the Chinese, Italian, and Arabic traders and in the Arthashastra, where it is mentioned as fine cloth from Pundra and Bangla, the Bengal janapadas.

Owing to the extreme fineness of the muslin that was believed to be so fine that it would pass through a ring, the Bengal muslin was variously termed as Mulmul Khas (king's garment) Pushpa Pattas, and Chitra Virali. It was also referred to as Shabnam (morning dew), and Abrawan (which meant running water, as when a muslin cloth was held under running water it would become almost invisible).

Muslin was used for weaving the patterned Jamdani sarees that are considered as among the finest products ever made by the Indian handloom. Hand weaving a jamdani is extremely time consuming and requires intense concentration. The muslin is woven with cotton or zari threads and commonly there are two to four large motifs (mango motifs/kolkaa) at the junction of border and pallu. The more expensive varieties show small butis (dots), or little flowers across the saree body.

When the butis are closely set they are known Hazarbuti, and when the floral motifs are connected as in a jewel setting it is known as Pannahazar. Sarees dyed a deep indigo with patterns in a lighter shade are called Neelambari. The jamdanis have an unbleached cotton base with the pattern woven on it with bleached cotton threads, which creates a beautiful light-and-shade effect.

Seeing the antiquity of Indian textiles, it is not surprising that we find ancient Indians using many terminologies associated with the textiles for defining philosophical theories and expressing general view on life. As for example, the term guna which refers to attributes, means a single thread; while terms like tantra (in the Vedas tan is a verb that refers to the weaving and stretching of textiles), sutra, prabandha, etc., all have textile terminology roots.

An ancient industry; the cotton, silk, and natural dyes along with the patterning and designing have been the backbone of our textiles. It is now imperative that all Indians start taking a more informed interest, and play an active role in preservation and continuation of this ancient art of handloom industry that started from the pre-historic era and continues to this day.

Source: financialexpress.com- June 18, 2019

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