TEXTILE INTELLIGENCE CENTRE
iBtex.
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

The Cotton Textiles Export Promotion Council [TEXPROCIL]
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400 004. Maharashtra State. INDIA
W. www.texprocil.org E. enews@texprocil.org T. +91-22-2363 2910 to 12 F. +91-22-2363 2914

# IBTEX No. 190 of 2017 September 19, 2017

USD 64.21 | EUR 76.93 | GBP 86.95 | JPY 0.57

## Cotton Market

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

| Rs./Bale | Rs./Candy | USD Cent/lb |
|---|---|---|
| 19314 | 40400 | **80.33** |

**Domestic Futures Price (Ex. Gin), October**

| Rs./Bale | Rs./Candy | USD Cent/lb |
|---|---|---|
| 18540 | 38781 | **77.11** |

**International Futures Price**

| | |
|---|---|
| NY ICE USD Cents/lb ( Dec 2017) | 69.62 |
| ZCE Cotton: Yuan/MT ( Sept 2017) | 15,570 |
| ZCE Cotton: USD Cents/lb | **91.68** |
| **Cotlook A Index – Physical** | **79.10** |

**Cotton guide:** A slight uptick in the cotton price performance on Monday's trading session. The December future at ICE ended the session higher at 69.35 cents per pound and the same is seen trading higher at 69.63 cents. Although there is marginal rise in the price but market is moving in the confined range of 67 to 70 cents. As we indicate unless either side is broken side the market may continue to remain in the same phase. Likewise the domestic cotton price in India continued to trade steady while the futures moved in a very narrow range. The October future initially traded down which ended the session at Rs. 18540 down by Rs. 70 from the previous close. Likewise, the November and December future moves sideways.

There is no major development in the market. From the global front in the US mixed views are keeping the market sideways. In one side many are expecting US crops to be better in 2017-18 and likely estimates of production between 19 to 21 million tons while on the other hand many are also estimating large crop loss could be reported amid hurricane causing damage in the US. Broadly we expect market to remain sideways. However, while we observe the technical charts though the trend is still bearish we see market approaching its oversold phase hence a marginal rebounding in the price couldn't be ruled out. Further, Chinese reserve auction continues to be good. On Monday's auction 96.3% were sold out of total offer. Cotlook reported 98 percent of the spinners participated. Sold were approximately 111,239 bales. Total sales to date were approximately 13.62 million bales. Remaining unsold reserve stock is estimated around 25.33 million bales. This year's auction has already surpassed last year's total auction sales by 1.4 million bales and the rest of the September auctions remain.

From the hurricane front, hurricane Maria is following the path of Hurricane Irma towards the United States via the Caribbean Islands. It is predicted to move east, possibly bringing rain to the Carolinas. It doesn't look nearly as threatening to cotton as Irma did, but it's out there. The USDA US Crop Progress report for the week ended September 17th was published after the ICE market trading was closed. It showed bolls opening at 44%, 7 percentage points behind the 5-year average. Cotton harvested stood at 11% versus 6% average. Crop conditions fell slightly overall, likely reflecting some of Irma's negative impacts in the Southeast states.

For the day we expect cotton price to trade sideways. The trading range would be 70.20 to 68.80 cents per pound for December future. Likewise, October future may move in the range of Rs. 18690 to Rs. 18400 per bale at the MCX platform.

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

## *Indicative Prices of Overseas Ring Spun Cotton Yarn in Chinese market:*

| Indicative Prices of Cotton Yarn in China<br>Date: 18/09/2017 ***Prices in US$ FOB*** | | |
|---|---|---|
| **Country** | **20s Carded** | **30s Carded** |
| India | 2.55 | 2.80 |
| Indonesia | 2.56 | 2.85 |
| Pakistan | 2.27 | 2.66 |
| Turkey | 2.95 | 3.15 |
| Source: CCF Group | | |

### China yarn

After large cotton yarn plants increased offers, small plants increased the offers by 200-300yuan/mt. Polyester yarn price showed stable and then hiked by 200yuan/mt in Fujian. Rayon yarn showed stable and polyester/cotton yarn and polyester/rayon yarn and rayon/cotton yarn increased.

### International yarn

In the cotton yarn market, local and export demand have improved modestly in Pakistan, though downstream manufacturers' price ideas remained low. India's cotton yarn exports during June were higher than in May but showed a decline from the corresponding month in 2016. Bangladesh's garment export earnings during August showed strong growth from the same month last year.

**Source: CCF Group**

# NEWS CLIPPINGS

| | INTERNATIONAL NEWS |
|---|---|
| No | Topics |
| 1 | China signs MoUs worth $375m for investment in Pakistan |
| 2 | Bangladesh: Effectiveness of trade embargoes |
| 3 | Pakistan: Lessons to learn from FTA with China |
| 4 | Denim Days comes to New York on September 29 |
| 5 | 88Spares.com to support Indonesian textile and garment industry |
| 6 | 17th Vietnam textile and apparel accessories expo coming up in November |
| 7 | Apparel Retail: its inevitable demise in Botswana |
| | NATIONAL NEWS |
| 1 | Maharashtra government plans to set up 9 textile parks |
| 2 | Textile fair Vastra to be held from Sept 21-24 |
| 3 | GST Impact: Tirupur garment exports down three per cent in August |
| 4 | How Threadsol is helping garment manufacturers cut cost |
| 5 | India at 2nd spot: Check out North Korea's top trading partners |
| 6 | Telangana prepares for bountiful cotton crop |
| 7 | Industry expects a dip in yarn prices soon |
| 8 | Production of 28 lakh bales of cotton expected for kharif |
| 9 | Exporters may seek exemption on tax payment |

# INTERNATIONAL NEWS

## China signs MoUs worth $375m for investment in Pakistan

Chinese companies from different cities and provinces have expressed their interest in relocating their textile, garment and accessory production units to Punjab, with an expected investment of at least $25 million estimated for each unit.

This was stated by Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) Central Chairman Ijaz Khokhar at the three-day 18th International Textile Asia Exhibition. Besides marking the participation of over 500 foreign delegates, the exhibition also witnessed signing of MoUs worth $375 million for investment in Pakistan through joint ventures with local companies

Speaking on the occasion, Khokhar said that foreign companies are also committed to transfer their technologies, besides buying back Pakistani products after value-addition here, which would enhance export and lower Pakistan's trade deficit with China.

Quoting the Chinese, he said, "We will make joint ventures with local companies from Gujranwala, Lahore, Sialkot and Faisalabad, and provide training to engineers from these cities and buy back products to export to China."

The event was jointly organised by PRGMEA and Ecommerce Gateway Pakistan, who also signed an agreement to continue to jointly conduct this mega textile event in the future on an annual basis.

The PRGMEA chairman announced this on the last day of the exhibition. In his concluding remarks, he said that around 52,000 trade visitors registered their presence in the textile fair in three days.

Also present on the occasion, PRGMEA Vice Chairman Jawwad Chaudhry said that machinery and equipment displayed at the exhibition were of immense use to manufacturers producing value-added products for increasing volume of exports.

He hoped that local businessmen would benefit from this technology by adding value to their products.

He said that the Textile Asia Expo also featured businessmen to businessmen (B2B) meetings, a lot of important industry-related presentations and seminars on textile sector.

Chaudhry observed that the entire chain of the local textile sector was invited to attend the country's largest textile show. The exhibiting countries included Austria, China, Czech Republic, France, Germany, India, Italy, Korea, Taiwan, Turkey, UK and USA among others.

Ecommerce Gateway Pakistan CEO Dr Khurshid Nizam said that such textile machinery fairs in Pakistan would increase productivity, resulting into better competitiveness.

**Chinese textile units interested in relocating to Pakistan**

The exhibition is aimed at focusing the Punjab potential of textile and garment machinery, accessories, raw material supplies, chemicals and allied services under one roof, as around 80% of textile industry is located in this province, Nizam added.

The exhibition also provided an effective platform for joint ventures and collaborations to the textile sector's SMEs, he remarked.

The CEO observed that the three-day mega fair provided the local small textile industry a good opportunity where more than 315 international brands from around 27 countries displayed their products in more than 515 stalls.

Source: tribune.com.pk- Sep 19, 2017

HOME

*****************

## Bangladesh: Effectiveness of trade embargoes

North Korea (DPRK) presents an enigma and a challenge for the US and its allies. While DPRK is determined to improve its nuclear strike capability, the US has been working for many years to stop DPRK from acquiring nuclear weapons, or at least to slow down its nuclear programme. In the latest round of US-DPRK skirmish on this issue, the latter tested a hydrogen bomb and two inter-continental ballistic missiles (ICBM) and the US retaliated by getting tougher sanctions on DPRK passed through the UN. Sanctions against DPRK are not new.

The latest measures which target a broad range of North Korean interests is a watered-down version of the original US proposal, and there is already scepticism if these would change anything as far as Kim Jong-Un's regime is concerned. DPRK struck back by sending another test missile over Japan on the morning of September 15. Whether one calls DPRK a "rogue nation" or considers it the "last bulwark against superpower domination", the failure of these efforts to bring the country to the negotiating table will unquestionably be a bad sign for global diplomacy and peace in East Asia.

Let us take a quick look at recent history to understand the current situation a little better. US presidents have had three options to stop the North Koreans from building nuclear weapons: diplomacy, sanctions and military. While diplomacy or negotiations has so far been the preferred option for the countries involved in the Six Party (DPRK, US, UK, China, South Korea and Japan) Talks, there has been no progress since 2012. The carrot and stick policy of the US and its allies lacked any carrots to lure DPRK to make any concessions.

To punish DPRK, the UN Security Council, on a parallel track unfurled the "stick" approach without any success. In order to understand why these sanctions failed, one does not have to look very far. Sanctions can range from "comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions," according to the UN, and have three goals: limit access to a good or service, modify a country's behaviour, and/or to penalise it.

The problem with sanctions against DPRK has been two-fold: the list of sanctioned goods and services is not comprehensive enough and secondly, countries and businesses have found enough loopholes to bypass these sanctions. The latest round of sanctions passed by the UN Security Council on September 11, the 9th such measure since 2006, covers some of DPRK's vital imports and exports. However, on the eve of the Security Council vote, USA scaled back its demand for very stringent measures against DPRK to avoid vetoes by China and Russia.

However, it is doubtful if the latest measures will change Kim Jong-Un's behaviour given that he has three goals: to get military concessions from the USA, deter USA from attacking DPRK, and reunification on its own terms. Nonetheless, the new sanctions on textiles will cause economic problems for DPRK.

Since DPRK's exports of coal, iron, seafood and other minerals have already been severely curtailed by previous rounds of sanctions, textiles had been its biggest foreign exchange earner. In 2016, DPRK's textile exports brought in USD 752.5 million, with 80 percent going to China. The latest embargo would also reduce North Korea's fuel import by 30 percent, and combined with previous sanctions, 90 percent of DPRK's declared exports, including seafood, coal and textiles will be embargoed.

But, as already mentioned, economic sanctions on DPRK left a number of loopholes for it and its allies, particularly Russia and China, and commercial interests in all three countries to exploit. Russia imports DPRK's manpower for its construction and logging industries, and remittances are regularly flowing into Kim Jong-Un's coffer. Chinese entrepreneurs keep DPRK's textile industry busy by re-exporting garments with “Made in China” labels.

US frustration with lack of full cooperation from China was evident from President Trump's tweet on July 5, 2017, “Trade between China and North Korea grew almost 40 percent in the first quarter. So much for China working with us—but we had to give it a try!” “North Korea's economy is almost entirely dependent on China, with Beijing providing Pyongyang with food, fuel, and machinery.” And ironically, North Korea's economic growth climbed to a 17-year high in 2016.

However, China should not be singled out for the failure of sanctions to deliver. For example, while UN sanctions prohibit the sale of luxury goods to DPRK, countries often define what that means. “The resolutions list jewellery, luxury automobiles, sports equipment and snowmobiles but make no mention of televisions, consumer electronics or home appliances.”

DPRK has become adept at cannibalising parts from permitted items for prohibited uses. DPRK has been aided also by its diplomats who have been found to be working as government procurement agents overseas. And, in the Chinese towns bordering DPRK, it is known that Chinese businessman openly work with the North Koreans to ease sanctions.

I will be remiss if I end this commentary without any suggestions for the sanctions to work, but most importantly to end the current stalemate. In my view, it's a three-party dance involving the USA, DPRK, and China! How do we get China to comply with UN resolutions vis-à-vis DPRK? Here are my thoughts.

First of all, China's role in the conflict must become more transparent. As DPRK's largest trading partner, it must demonstrate due diligence in making sanctions work, and not procrastinate like it did earlier. It is understandable that China, which has a long border with DPRK, has some vital interests in this region, and its goals can be summarised as follows: i) Show solidarity with DPRK to prevent Korean reunification on US terms; ii) Prevent any future war; iii) Prevent North Korean refugees from crossing into China and; iv) Forestall any threat to the ruling party in DPRK.

China also would be cautious about provoking Kim Jong-Un into any reckless move by cutting off all oil imports into DPRK since the history of Japan's experience after such US moves during the Second World War is still fresh on China's mind. China, nonetheless, holds a number of cards to ease the tensions going forward. Its leverage with DPRK is enormous since now 90 percent of DPRK's foreign trade is with China. With100 percent Chinese compliance, Kim Jong-Un will realise that the economic cost of its nuclear programme is getting prohibitive.

However, if Kim Jong-Un remains defiant some further steps can be taken. These are: sanctions on any country that trades with DPRK or financial institutions that provide Pyongyang access to money, and enforce and strengthen some prohibitions on port calls by vessels that have been previously involved in illicit trade with DPRK.

In the final analysis, USA and its allies must offer something else besides threats of “fire and fury” to the North Korean leaders to bring the two parties closer. “That will require the United States to put something on the table that North Korea wants, perhaps a reduction in US-South Korean military exercises," to quote Kelsey Davenport, a US arms control expert.

Source: thedailystar.net- Sep 19, 2017

HOME

*****************

## Pakistan: Lessons to learn from FTA with China

While the Pakistan and China bilateral Trade Agreement, signed in 2006, seemed to be quite enthusiastic and ambitious; the ground realities turned out to be quite different.

The FTA resulted in the Pakistani market getting flooded with Chinese goods as the country had extended unwarranted and unintentional clandestine market access to China.

Pakistan's trade and industry was, and continues to be, adversely affected by the explosion of Chinese goods in the market with special reference to polyesters, textile (made ups and fabrics), table-ware, shoes, chemicals, iron, steel and toys.

Somebody rightly said that there is no free lunch. Pakistan certainly needs to learn lessons from this. The trade balance between Pakistan and China during the last three years reveals some glaring imbalances.

While Pakistan's multiple attempts to renegotiate the FTA with China were to no avail; for the first time on September 15 — in the eighth meeting of the second phase of negotiations — China agreed to address Pakistan's major concerns, an occurrence touted by the ministry as a 'breakthrough'.

Pakistan is now in the process of negotiating Free Trade Agreements with Turkey, Thailand and Korea. The tariff negotiations if not done appropriately, considering the individual needs of the economy and industry, will not only adversely affect the domestic industry, but also its fiscal and developmental position. Article XXVIII bis of GATT 1994 on 'Tariff Negotiations' recognises that WTO member countries have to conduct negotiations on the basis of (a) reciprocity, (b) mutually advantageous basis and (c) taking into account the needs of the individual industries.

The Agreement, on one hand, extends the right of consultation to private sector companies producing products to be included in the FTAs and on the other hand places serious responsibilities on the tariff negotiators, in this case Ministry of Commerce.

The National Tariff Commission (NTC) in 2015-16, based on a criterion developed by it, prepared a sensitive list of products which need to be excluded from the FTA with Turkey. A list on similar lines should also be developed in the case of Thailand.

It is reliably learnt that Thailand is insisting that Pakistan should also include auto parts in the FTA, whereas, Turkey is reconsidering the products of its interest to be included in the FTA which, inter alia, include textiles and auto parts.

However, it is still not clear whether the Pakistani negotiators have consulted with trade and industry for preparing a list of products of their interest which they would like to be included in the prospective FTA. The Pakistan Business Council has, however, conducted some good studies on the respective FTA in this regard.

Pakistan's exports are already dwindling despite the fact that the government has taken a number of measures to enhance them. One of the most serious reasons being that Pakistani products are not only uncompetitive in the international market but in the domestic market as well.

In such a situation what Pakistan has to export to Thailand, Turkey and Korea under the proposed FTA is a big dilemma.

The Pak China FTA, concluded without due diligence and taking into account the above mentioned provisions of GATT / WTO, resulted in a huge trade imbalance between the two countries and also forced many industrial sectors below the peril point causing loss of revenue, deindustrialisation and unemployment in the country.

In view of the implications of the Pak China FTA, the domestic industry needs to be very vigilant and vocal about its level of protection and existence against inclusion of any domestically produced product in any FTA with Thailand, Turkey or Korea.

It may be reiterated that the GATT / WTO prescribes rule and regulations for tariff negotiations and FTA under which it has to be ascertained whether the tariff negotiation is mutually advantageous, reciprocal and concluded after considering the individual needs of the industry amongst other national issues. This requires detailed economic, technical and legal analyses both at the micro as well as macro levels.

The domestic industry should also take up the matter with the concerned departments for excluding their products from the said forthcoming FTA to avoid erosion of meagre effective protection levels currently available to it.

Moreover, the industrial sectors which have already gone below the peril point and are facing closure and bank default should agitate the issues at the concerned quarters as they reserve the economic and legal right both under the GATT / WTO regime and the national law.

Since the FTA are bilateral agreements between two member countries having far reaching multiple economic, fiscal, developmental and strategic affects, the finalisation of an FTA should not be left with any individual ministry, but in fact should be placed before the Parliament for its approval.

Source: dawn.com - Sep 18, 2017

HOME

*****************

## Denim Days comes to New York on September 29

New York Denim Days will be held September 29 to October 1. The show will connect denim insiders, designers and brands to consumers at an immersive denim-focused, consumer-facing festival.

The ranks of denim brands, retailers and artisans that have signed on for the first-ever New York Denim Days festival continues to grow. Hudson Jeans, Edwin, and Brooklyn Denim are a few of the brands to join the festival along with Jean Shop and 3×1 to host a variety of initiatives on the New York Denim Days show floor, including workshops, pop-up shops and interactive displays.

Denim Days is a chance for everyone to come together and celebrate, enjoy, and appreciate jeans and jeans-making in all its glory.

With the changing landscape of retail industry worldwide, Denim Days is a great way for brands and services to present a specific experience directly to the consumer. It will include interactive displays, indigo dyeing workshops, new denim designers as well as established brands, and denim mills alongside in-store events, a vintage denim market, parties and DJ's– all geared to give consumers access to their denim heroes and heritage brands.

Also on the agenda is a one-day street bazaar that will include food, live entertainment, games, art, selfie stations and more. This festival is for denim heads, fashionistas, foodies, families, tourists, teens, tweens, and all denim lovers.

Source: fashionatingworld.com- Sep 17, 2017

HOME

*****************

## 88Spares.com to support Indonesian textile and garment industry

Indonesia's textile and garment industry is one of its oldest. The government aims to increase the value of exported textiles and garments to US$75 billion by the year 2030, implying that this industry would contribute around 5% to global exports.

88Spares.com chief executive officer and co-founder Hartmut Molzahn was therefore inspired to launch a business to business (B2B) multi-vendor marketplace to assist the sector.

"Textile companies in Indonesia are very old school. They do not talk about online shops. Digital technology can help them to increase their value chain, enabling everyone to save and make more money," he tells Digital News Asia (DNA).

To Molzahn, Indonesia is strategically placed and the country accounts for nearly 2% of global textiles and related products.

88Spares.com facilitates B2B transactions between buyers and sellers in the textile and garment manufacturing industry and specifically deals in industrial machine spare parts and consumables.

“Vendors can cut their costs and efforts on sales and marketing easily by selling textile machine spare parts for weaving and spinning machines as well as various textile machinery spare parts through our web-based platform,” he adds.

After it was soft launched at the international garment exhibition, Indo Intertex 2017 in April, Molzahn says that Spares88.com will be officially launched in Q1 2018.

“Now we are still bootstrapping the market. We are focusing on attracting more vendors in the textile and garment industry in Indonesia,” he says.

Molzahn also says that his company will serve a niche market and enhance the chances small and medium enterprises (SME) and family businesses of entering the sector.

The startup will generate revenue from every successful transaction and will take a percentage depending on the value of a transaction.

88Spares.com chief marketing officer and co-founder Rosari Soendjoto says that they aim to make positive contributions to the local textile and garments industry. She also hopes to become a catalyst of change in the domestic economy.

“Even we are still doing business by bootstrapping, to develop our business, we are also planning on fundraising,” she said.

88Spares.com also has a presence in China by enabling China-based manufactures to become vendors on the platform.

**Digitalisation in the textile industry**

The Hong Kong Research Institute of Textiles and Apparel (HKRITA) chief executive officer Edwin Keh said at the International Textile Manufactures Federation Annual conference 2017 (ITMF 2017) in Bali recently that the textile industry is still left behind in utilising technology.

In order to transform, key players in the industry have to participate in this new economic era.

“We have three options -- to become victim, bystanders, or participants in this digital era. I hope everyone can be a participant,” he explains.

At the same event, Alvanon president Edward Gribbin said that that millennials are coming into the market and they think differently. Alvanon is a US apparel product development consultant.

“We are in the age of digital disruption. Rather than going to shop at an offline store, consumers choose to shop online. In the fashion industry nowadays, consumers are in control,” he said.

He added that Amazon in 2016 saw the most demand for its apparel category and for players in this sector had to “transform or die”.

Molzahn offered three main components for a company to move into the digital realm.

First, a company need the right human resources. Having someone from the C-level to take on digitalisation process will help change mindsets across the company.

The next thing is to have the right organisation. Molzahn says the role of an IT department has to change and be integrated into the company’s key strategy.

The company then has to cultivate an entrepreneurial mindset in all employees. Innovation might take some time and it can be helped by setting up infrastructure for corporate entrepreneurship to develop business innovation.

“In the future, software will become a driver in the industry and I believe that every industrial company will become a software-driven company,” he says.

Source: digitalnewsasia.com- Sep 19, 2017

HOME

*****************

## 17th Vietnam textile and apparel accessories expo coming up in November

The 17th Vietnam International Textile and Apparel Accessories Exhibition is slated for this November, expected to witness about 500 firms from countries including Vietnam, China, India, the Republic of Korea and Taiwan (China), across about 700 booths, according to the Vietnam Cotton and Spinning Association.

The event is being organised by the Yorkers Trade and Marketing Service Company, the Vietnam National Trade Fair and Advertising JSC in collaboration with the Ministry of Trade, the Hon Kong Apparel Machinery Association, Guangdong Sewing Equipment Chamber of Commerce, and the Vietnam Cotton and Spinning Association.-VNA

The exhibition will spotlight new solutions, technology and equipment for the apparel sector, including automatic sewing, cutting and fibre processing machines, printing machines in fabric, and embroidering machines. The firms registered for the event include Barudan, Epson, Heinz, Walz, Hikari, Juki, Mitsuyin, Ngai Shing, ROQ (Artend), Supreme and Tajima.

The VTG exhibition will be held from 22-25 November at Ho Chi Minh City's Saigon Exhibition and Convention Centre, Vietnam.

Source: yarnsandfibers.com- Sep 18, 2017

HOME

*****************

## Apparel Retail: its inevitable demise in Botswana

Superstars of Retail, Mr Price Group, accounted a drop in headline earnings for the first time in 16 years. In the year to April 1 2017, Mr Price reported a fall of 10.4% in earnings per share. Before our eyes we saw the 159 year old Stuttafords dissolve despite its efforts. It's a tough time for the Retail sector.

Unless you have been living under a rock, it should be of no mystery to you, the way shopping is being done by the urban population in Botswana is changing. For illustrations sake, several weeks ago, I witnessed a very interesting phenomena, I saw shopping happen, but outside the store.

What I witnessed was a delivery being made to a client who had purchased a garment of clothing from a “facebook vendor”. More recently a friend of mine found her dream wedding dress on well-known Ali Express, there will be no need for consumers like her to search through a plethora of retailers.

Retail has been taking place outside the conventional store for some time, however with digital platforms like Facebook, simple Online shopping and Instagram, shopping for apparel has been transformed forever. It arouses great enthusiasm to see young individuals take advantage of this to better their lives, it is a welcomed disruption. On the other hand, does this signify a bleak future for apparel Retail stores as we know them? Yes and no.

Yes because, what we are seeing is a death of a traditional channel. The “facebook store”, for lack of a better term, in its nature is more convenient, from the browsing and comparing, to paying and ultimately receiving your desires goods, its fluid and less strenuous, time wise and on the pocket (although further analysis is necessary to prove the latter).

These entities offer free delivery either in Gaborone or in the country, an upper hand in terms of value adding processes, even some of the most popular Botswana owned retailer slack in this aspect. A consumer browsing through a facebook store during work hours needn’t plan for a trip to a physical brick and mortar store for something he or she likes. If say consumer lives in Serowe / Palapye, the vendor being in Gaborone is not a cause for concern.

Payments are done through varying mobile platforms. The seamlessness of the shopping experience goes a long way in building greater loyalty to these enterprises. With the rise of increased connectivity and consequently a rising number of facebook users in Botswana these shopping experiences are going to be a noticeable challenge to conventional apparel Retailers in our economy.

The death of retail will not occur that hastily in Botswana, qualifying the ‘no’ side of things. Africa has a good 2082 shopping centers, and in Botswana there seems to be a one popping up often. We can explain this by highlighting a few factors, one of which is the “eating out” experience, which is an irreplaceable and sustains “mall culture”. Needless to say as long as there is a mall we will see an apparel retailer, but not in the volumes we have always known.

A study* in 2015 indexed Botswana as number two in retail potential, I believe there is room to question this where apparel retail is concerned. If advanced economies are anything to go by, even peering into neighboring South Africa, apparel shopping at these locations, shopping for clothes at brick and mortar stores is not here to stay. Several stores are not only downsizing but some have totally exited the South African market.

**THE RELATIONSHIP BETWEEN THE TWO CHANNELS**

In the digital age, consumers use online stores as a reference point and more often than not know what they are looking for when they visit a store, curbing down unplanned purchases, in this case the channel remains the same. Yet an interesting counter notion is that physical stores serve as points of reference and comparison, but actual trade occurs with various online vendors, local or international, at a later stage.

Either way, consumer behavior has been altered, and in Botswana it is the social media stores which we can use to an extent when explaining these dynamics. What then for Botswana owned apparel retailers, how do they avoid having a white sheet of paper spread out on what would have been their store front? The death of retail is slow one, but that is no reason for comfort. It’s slow but also inevitable.

To survive, retailers in Botswana should make adequate advances towards R&D for appropriate Channel Strategies, suitable to our changing market. R &D firm Seriti Insights is undertaking the generation of these strategies, the outcomes of which should be interesting. Once again these disruptions are welcome in my view, disruption to things as we know them allows for great opportunities for development and growth of new ideas. Young people behind social media stores do deserve consideration and support. It will not be instant but the apparel retail environment needs surveillance, as does the overall death of Retail.

Source: weekendpost.co.bw- Sep 17, 2017

HOME

*****************

# NATIONAL NEWS

## Maharashtra government plans to set up 9 textile parks

With an aim to supplement farmers' income through value-added products, the Maharashtra government is planning to set up nine textile parks in the northern cotton-growing regions of the state.

"There is ample cotton growing in northern Maharashtra and there is no value addition. We are planning to set up nine textile parks there," said Subhash Rajaram Desai, industries minister of Maharashtra.

He was speaking at the Progressive Maharashtra Summit organised by industry body Ficci here.

Citing the example of the textile park at Amravati, which has over 30 units operational, he added "This is helping many small and medium industries to flourish. In a similar way we can support farming and industry."

He explained that value addition -- from produce to fibre to fabric to fashion -- will help farmers get a good price for cotton.

Referring to the Rs 34,000-crore loan waiver for farmers announced by the BJP-led government in Maharashtra, he said while the move is one way to support debt-ridden cultivators, it is not the only solution.

"We gave loan waiver in 2008, and the necessity was felt again in 2017. This is not the final answer. The solution is to make farming more viable and sustainable."

"Farming is lacking technology and food processing not implemented to desired level. The government is working on a new policy in food processing," he added.

On the ease of doing business, he said the government has taken many initiatives on this front like reducing the number of permissions required to set up industries in the state.

"We have also set up a special platform called 'Maitri' that brings 18 different departments on one platform. Anybody who wants to invest in the state can make a single presentation to all department heads and expect to get clearances in this platform," Desai elaborated.

Another useful thing, the minister said, would be to link the Right to Services Act with the permission procedure. "Then it would not be a favour but duty of officials. Every official would be duty bound to pursue this goal."

Source: economictimes.com- Sept 18, 2017

HOME

*****************

## Textile fair Vastra to be held from Sept 21-24

The sixth edition of the 4-day international textile and apparel fair Vastra will be organised in Jaipur from September 21 to 24 at Jaipur Exhibition and Convention Centre (JECC) in Sitapura.

It will be inaugurated by Union Textiles & Information and Broadcasting Minister Smriti Zubin Irani and Rajasthan Chief Minister Vasundhara Raje on 21 September, 2017. Rajasthan Industries Minister, Rajpal Singh Shekhawat will be the guest of honour.

The exposition is an all-encompassing trade fair and conference on textiles and apparel, which will present a fusion of the finest and the latest in textile products ? from fibre to fashion, services and technology, Managing Director of Rajasthan State Industrial Development and Investment Corporation Ltd (RIICO), Mugdha Sinha said today in a release.

She further said over 250 exhibitors from 13 states will showcase their products. Around 300 overseas buyers from more than 50 countries and 200 representatives from around 100 Indian buying houses/agents are slated to attend the event.

Karnataka is participating as partner state, and Odisha, Madhya Pradesh, Uttrakhand and West Bengal are participating as supporting states in the event, she added.

The first three days of the event will be devoted exclusively to B2B and the last day will be open for B2C, involving retail sales. The fair will be open for general public on 24th September.

Source: indiatoday.in- Sept 18, 2017

HOME

*****************

## GST Impact: Tirupur garment exports down three per cent in August

Readymade garment exports from Tirupur dropped by 3.84 per cent in August. The threat of losing drawback to the tune of five or six per cent has prevented exporters from confirming orders. If the trend continues, India's share in global readymade garment exports is expected to come down to 3.5 per cent this year and to three per cent next year.

There is also an apprehension that all benefits to exporters will cease from January 1 since the country has agreed to the WTO declaration that no incentive would be given to a country whose per capita income reaches 1,000 dollars for three consecutive years. The country has reached that status already.

The provision that does not allow the refund of accumulated input tax credit at the fabric stage (with five per cent GST at the fabric stage and its related job works) has had a huge impact on processed fabrics, especially cotton fabrics, as the dyes, chemicals, and ETP chemicals are expensive and attract 18 per cent GST.

More than 80 per cent of textile manufacturing units are highly fragmented and predominantly undertake job work. The inverted duty is expected to have a major impact on the cost of production, inflation, and export competitiveness.

Source: fashionatingworld.com- Sept 18, 2017

HOME

*****************

# How Threadsol is helping garment manufacturers cut cost

Having been associated with the garments industry for 12 years, Mausmi Ambastha had seen at close quarters the amount of fabric being wasted every day.

“I realised that there was a dire need for an advanced and a practical software that could optimise the usage of fabric,” says Ambastha, a postgraduate in fashion technology and graduate in computer science.

The scope for boosting the fabrics industry by cutting wastage and saving on labour and time offered a promising business opportunity. And Ambastha was quick to capitalise on it.

She teamed up with her husband Manasij Ganguli and his colleagues Abhishek Srivastava and Bratish Goswami to found Threadsol in March 2012.

The startup provides enterprise material management technology to enable manufacturers buy just the right amount of fabric and use that fabric with minimum wastage.

“Our product has managed to cut down wastage to less than 1%. This translates into savings of up to 10%—millions of dollars for manufacturers,” says 38-year-old Ambastha, Co-founder and COO. Initially, the uniqueness of Threadsol’s solution, says Ambastha, also made it difficult to pitch the solution to clients.

It took some time to explain the viability of their product and how it could help companies save money and improve operational efficiency. “At first, many apparel manufacturers were skeptical about our product, but once we explained how it functioned, they were willing to try us. We may have received a delayed response, but we never faced rejections,” says Ambastha. Now the company, which operates out of Bengaluru and Delhi, has a presence in 15 countries.

It’s more than 85-strong client list includes manufacturers of Zara, Adidas, Nike, Levi’s, Victoria’s Secret, JC Penny and Walmart products. Indian client list has Aditya Birla Fashion and Retail (formerly Pantaloons), Blackberry’s and Raymond, among others.

Despite this impressive list of customers, getting the garments industry adopt technology is still a challenge for Threadsol. “It’s the problem of being the first-mover. Very few technologies exist in the garment and apparel domain, so many big players are still reluctant in adopting technology, despite its compelling value proposition,” says Ambastha.

The startup, which has drawn investments of more than Rs 20 crore from Blume Ventures and NR Narayana Murthy’s Catamaran Ventures, at one time struggled to stay afloat.

“When we started out, we worked hard, tried to acquire customers and get investors, but things weren’t working out for us,” says Ambastha. Each time the founders had to take out their debit cards to finance the startup’s operations, they felt a little bit more reluctant to carry on. But they didn’t give up.

“With just 28 days of money (to run operations) left in our bank, we had to make a tough choice. Keep going or close down. We decided to give one last push. And then it all just clicked. We went to the brink and came back,” recalls Ambastha. Threadsol, which offers its solutions both as a one-time buy and on a monthly subscription basis, generated a revenue of close to Rs 13 crore in 2016-17.

Its staff strength across the globe has swelled to 130, and the startup has added several awards to its kitty: Microsoft Bizspark 2012, Grace Hopper Women Entrepreneur of the Year, 2013, Venture Engine 2014, Parivartan Award for sustainability, among others.

“We are constantly innovating our current products, updating and upgrading every three months to offer better solutions. Our approach makes us unique and has helped us scale new heights,” says Ambastha.

Source: economictimes.indiatimes.com - Sep 17, 2017

HOME

*****************

# India at 2nd spot: Check out North Korea's top trading partners

The United Nations Security Council voted unanimously to impose a new set of sanctions against North Korea in response to Pyongyang's sixth and strongest nuclear test explosion on September 3. The new sanctions set a cap on crude and refined oil exports to North Korea.


The sale of natural gas will be prohibited and refined petroleum sales will be capped at 2 million barrels annually. The Security Council resolution also bans all North Korea textile exports. Geographically, China and North Korea share a large border, which makes China a natural partner for trade. Here's a look at North Korea's trade numbers in 2016:

Source: business-standard.com- Sep 18, 2017

HOME

*****************

# Telangana prepares for bountiful cotton crop

The Cotton Corporation of India has set up 59 centers in Telangana this year. These are an addition to the 84 centers already existing. The centers usually run for two or three days a week. Now they will be open on all working days.

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

There has been a 50 per cent increase in sowing. Cotton has been sown on 1.86 million hectares of land for the first time in the history of Telangana. A huge amount of produce is anticipated to come in from October.

Although cotton enjoys a minimum support price, there are fears excess production might cause some unrest among farmers in case they do not get the price they are expecting. Earlier, in May, excess production caused a price crash.

The minimum support price for cotton this year is Rs 4320 per quintal and was Rs 4,160 last year.

Farmers have gone in for cotton expecting higher returns. Telangana is taking every step to maintain transparency in minimum support price operations and also to mitigate problems if they are identified.

Source: fashionatingworld.com- Sep 18, 2017

HOME

*****************

# Industry expects a dip in yarn prices soon

The yarn sector, affected by high cotton prices in the past six months, might become normal within a fortnight.

Demand for yarn in markets like Bhiwandi, Ichalkaranji and Kolkata has picked up with the requirement for fabric going up in view of the festival season.

In addition, the unsold yarn stock with spinning mills is also low now. Because of the stable and lower cotton prices, India would have a competitive advantage in the international market also.

India is likely to get a record crop with a 15 per cent increase in area and a favorable monsoon and weather. Cotton prices would also be comparatively lower throughout the season and therefore the domestic demand is expected to pick up.

The Indian textile and clothing industry had been passing through continuous recession during the last three years mainly due to poor offtake in the global market.

Competing nations like Vietnam and Bangladesh have competitive advantages through free trade agreements and preferential trade agreements.

In addition high tariff rates have been imposed on Indian textile and clothing products in the the European Union, the US, Canada and China.

The global cotton position is expected to be very comfortable during 2017-18 due to an increase in area under cultivation by around 11 per cent.

Source: fashionatingworld.com- Sep 18, 2017

HOME

*****************

# Production of 28 lakh bales of cotton expected for kharif

Farmers have sown cotton in 6 lakh hectares in the State during the kharif season. This is 2 lakh hectares higher than the last season.As the cotton farmers got better price, the farmers cultivating other crops shifted to cotton. As a result, cotton sowing increased to 6 lakh hectares in the State. If the same situation continues, the Agriculture Marketing Department is expecting that farmers will get 28 lakh bales yield during the current season.

**Highlights:**

- Cotton was sown in 6 lakh hectares in the State marking an increase of 2 lakh hectares over last year
- CCI to open 43 centres to purchase cotton from farmers
- Centre fixes a price of Rs 4,320 per quintal this year as against Rs 4,160 last year
- The yield is expected to arrive in the market by November second week. The Central government fixed a price of Rs 4,320 per quintal as against 4,160 per quintal during the last year.

The Cotton Corporation of India will open 43 centres to purchase cotton from the farmers. These centres will be set up in the agriculture marketing yards. These centres will be opened in Guntur, Prakasam, Krishna, Kurnool, Anantapur, East and West Godavari districts, Srikakulam and Vizianagaram districts. The CCI officials wrote a letter to Agriculture Marketing

Commissioner Samuel Anand Kumar to this effect. Following request of the CCI, the agriculture marketing department will make necessary arrangements to set up these centres. Demand for cotton is increasing both in domestic market and globally.

If the demand persists, the private buyers may offer better price for cotton in the open market.

T Bhaskara Reddy, an official in the Agriculture Marketing Department said, " The demand for cotton is increasing in the domestic and international market. If the same situation continues, the private buyers may officer better than the CCI like last year. If the private buyers offer a better price, the farmers will sell cotton to them and they will be benefited.

When the price falls in the open market, they will sell cotton in the CCI counters. The CCI will try to get MSP to the cotton farmers."

A sambasiva Rao, a cotton farmer from Tadikonda said, " There is need to increase MSP for cotton because the cost of cultivation is increasing. During 2015-16, MSP for cotton was Rs 4,100 per quintal, in 2016-17, it was 4,160, during this season it is Rs.4,320. There is a need to increase MSP for cotton to do justice to the farmers."

Source: thehansindia.com- Sep 19, 2017

HOME

*****************

## Exporters may seek exemption on tax payment

NEW DELHI: Exporters plan to seek outright exemption on payment of goods and services tax, citing a crunch in working capital due to the uncertainty in the time taken to get refunds for unutilised input tax credit.

Exporters, heads of export promotion councils and senior officials from the commerce ministry plan to submit a petition seeking the exemption when they meet the revenue secretary on Tuesday. "There is an apprehension that exports will decline, going ahead," said an official aware of the meeting.

Exporters are likely to raise the issues of working capital and refunds which will be ploughed back into their business and the loss of interest.

"Merchant exporters and those in the small and medium enterprises are up in arms," the official said. Micro, small and medium enterprises now have to pay GST when buying from merchant exporters. The government has a two refund mechanisms for exporters.

They can furnish a bond instead of paying integrated GST and claim refund of the unutilised input tax credit. This entitles them to get a 90% refund within seven days of acknowledgement of the application and the rest in 60 days. Alternatively, they can pay IGST and then claim the refund, which they get within 60 days.

Another official said certain traditional sectors like textiles and gems and jewellery are suffering and need special attention. A scheme offering higher duty drawbacks will end on September 30 and many exporters don't have the finances to pay for exports.

The liquidity crunch is estimated at $10 billion for the July-October period.

Source: economictimes.indiatimes.com - Sep 19, 2017

HOME

*****************