**Cotton Market**

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

<table>
<thead>
<tr>
<th></th>
<th>Rs./Bale</th>
<th>Rs./Candy</th>
<th>USD Cent/lb</th>
</tr>
</thead>
<tbody>
<tr>
<td>21340</td>
<td>44600</td>
<td>81.66</td>
<td></td>
</tr>
</tbody>
</table>

**Domestic Futures Price (Ex. Warehouse Rajkot), May**

<table>
<thead>
<tr>
<th></th>
<th>Rs./Bale</th>
<th>Rs./Candy</th>
<th>USD Cent/lb</th>
</tr>
</thead>
<tbody>
<tr>
<td>21120</td>
<td>44141</td>
<td>81.39</td>
<td></td>
</tr>
</tbody>
</table>

**International Futures Price**

- NY ICE USD Cents/lb (July 2019): 65.99
- ZCE Cotton: Yuan/MT (September 2019): 14,195
- ZCE Cotton: USD Cents/lb: 93.06
- **Cotlook A Index – Physical**: 77.35

**Cotton Guide**: Cotton had a drastic week. We only saw healthy low figures. The Rebound has still NOT happened. Will these prices sustain? This is a bit of concern where import cancellations can be looked at by many mills/purchasing entities.

The following are the figures that Cotlook Index A and ICE Contracts emanated during the week.

<table>
<thead>
<tr>
<th>Date</th>
<th>ICE July</th>
<th>ICE December</th>
<th>Cotlook Index A 18/19</th>
<th>Cotlook Index A 19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>13th May</td>
<td>65.45</td>
<td>66.40</td>
<td>79.00</td>
<td>79.35</td>
</tr>
<tr>
<td>14th May</td>
<td>66.76</td>
<td>66.99</td>
<td>76.00</td>
<td>76.65</td>
</tr>
<tr>
<td>15th May</td>
<td>66.35</td>
<td>66.89</td>
<td>77.35</td>
<td>77.15</td>
</tr>
<tr>
<td>16th May</td>
<td>66.80</td>
<td>67.09</td>
<td>76.85</td>
<td>77.05</td>
</tr>
<tr>
<td>17th May</td>
<td>65.99</td>
<td>66.38</td>
<td>77.35</td>
<td>77.40</td>
</tr>
</tbody>
</table>

Disclaimer: The information in this message be privileged. If you have received it by mistake please notify “the sender” by return e-mail and delete the message from “your system”. Any unauthorized use or dissemination of this message in whole or in part is strictly prohibited. Any "information" in this message that does not relate to "official business" shall be understood to be neither given nor endorsed by TEXPROCIL - The Cotton Textiles Export Promotion Council.
On Friday, ICE July future settled at 65.99 with a change of -81 points. The low that it emanated was 65.83, with not an impressive high of 66.80. The other ICE Contracts also settled lower with changes ranging from -66 to -131. The Next important contract for the market participants the ICE December contract settled at 66.38 with a change of -71 points. The charts show that the bearish trend might continue for a while unless significant buying happens. When we speak about total volumes, we can say that the market was silent with lesser volumes at 23,390 contracts. The Total open interest increased by 1,434 contracts to 217,265. Certified stocks were seen at 81,946 bales.
The MCX contracts for the week were seen to show a rise with the following figures:

<table>
<thead>
<tr>
<th>Date</th>
<th>MCX May</th>
<th>MCX June</th>
<th>MCX July</th>
</tr>
</thead>
<tbody>
<tr>
<td>13th May 2019</td>
<td>20,780</td>
<td>20,980</td>
<td>21,120</td>
</tr>
<tr>
<td>14th May 2019</td>
<td>20,880</td>
<td>21,130</td>
<td>21,280</td>
</tr>
<tr>
<td>15th May 2019</td>
<td>20,980</td>
<td>21,210</td>
<td>21,390</td>
</tr>
<tr>
<td>16th May 2019</td>
<td>21,120</td>
<td>21,350</td>
<td>21,530</td>
</tr>
<tr>
<td>17th May 2019</td>
<td>21,270</td>
<td>21,510</td>
<td>21,670</td>
</tr>
</tbody>
</table>

*Prices in Rs/Bale

On the MCX front, on Friday, the contracts settled higher. The one day trend for the MCX May was clearly positive. It settled at 21,270 Rs with a change of +150 Rs. The MCX June and MCX May contract settled at 21,510 Rs/Bale and 21,670 Rs/Bale with a change figure of +160 and +140 Rs. The total volumes here in India were also seen to be less at 5757 lots. The volumes have now slowly started shift from MCX May to MCX June contract with figures of 2851 lots and 2484 lots respectively. The Open Interest was seen at 21,335 lots.

Overall internationally the bearish trend is continuing, but in the domestic market it seems to show more of consolidation or slowly shifting towards positive. The Indian cotton price has declined but at a lower relativity because Cotton Corporation of India (CCI) holding over 9 lakh bales while ginners have around 25-28 lakh bales. The tightness in the stock is not letting cotton price to fall much in India.

According to trade estimates, about 18 lakh bales of cotton import contracts have been made of which shipments for about 7 lakh bales have already arrived. Import contracts for the remaining 11 lakh bales were entered at a very high rates of about 80-85 cents. The prices have corrected to about 66 cents now. In this scenario importers may also look to either cancel the contracts or rework the deals. Companies engaged in importing cotton expressed concerns on a possible loss from the cancellation of the contracts. Indian traders are afraid
to cancel the contracts because they don’t have that hedging mechanism (to protect the price difference). Either they will have to go for arbitration, or they will have to pay the difference.

The Cotlook Index A has been adjusted to 77.35 cents/lb with a positive change of +0.50 Cents/lb CFR Main Far Eastern ports. The prices of S6 have increased a tab to 44600 Rs/Candy.

<table>
<thead>
<tr>
<th>Cotlook Indices</th>
<th>Cents/lb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotlook Index A 2018/2019</td>
<td>77.35 (+0.50)</td>
</tr>
<tr>
<td>Brazilian</td>
<td>75.50</td>
</tr>
<tr>
<td>Memphis/Orleans/Texas</td>
<td>77.25</td>
</tr>
<tr>
<td>Ivory Coast BEMA</td>
<td>77.75</td>
</tr>
<tr>
<td>Burkina Faso Rudy</td>
<td>77.75</td>
</tr>
<tr>
<td>Memphis/Eastern</td>
<td>78.50</td>
</tr>
</tbody>
</table>

On the International Front, Hussein Abousaddam, Head of the farmers’ union in Egypt, said that the Egyptian cotton industry had collapsed as a result of the government’s failure to market the last season’s cotton crop.

He mentioned that the Egyptian government did not seem committed on buying cotton from farmers at the promised price of LE 2,500 per kantar for Upper Egypt cotton and LE 2,700 per kantar for Lower Egypt cotton, therefore forcing the farmers to sell to traders at prices not more than LE 2,300 per kantar. The heavy losses sustained by farmers during the last season could make the farmers to shift to other crops apart from cotton.

On the Fundamental front, the current sentiment is weak, price could drift quickly down to around 62.50/62.00 cents/lb area. This might happen very quickly. However, by then the fall could pause, though fresh sharp buying might not come, market might continue to remain in the large range of 62.50 to 70.00. The weather will play a very vital role especially for India, monsoon will have major effect. The actual acreage figure shall give a clear picture on the new season.

On the technical front, Prices are in the pullback mode with a range after the continuous sell off from (78-64.50). Lower tops and lower bottom formation and prices below the DEMA(5,9)=(66.64,67.83)suggesting the base trend is bearish. Immediate support level is at 64.50(recent lows) and the resistance is placed at 68(23.6% retracement of selloff). Relative strength index (RSI) is at 25.60 made a low of 17.09 is in the mega oversold zone suggesting continuation of bearish trend is likely. For the day we are recommending sell on rise strategy around 67-67.30 for the target of 65.50/65 with a stop loss at 68(above the 9 day EMA). Closing above 68 may be the first sign of upside reversal in the prices. In the domestic market cotton may sell on rise strategy around 21300-21350 for the target of 20900 with a stop loss at 21540.

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

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<th>Topics</th>
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<tr>
<td>3</td>
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</table>

### NATIONAL NEWS

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<th>Topics</th>
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<tr>
<td>1</td>
<td>Indian textile exporters to gain from US-China trade conflict</td>
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<tr>
<td>2</td>
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<td>8</td>
<td>Textile staples growing at four per cent</td>
</tr>
</tbody>
</table>
INTERNATIONAL NEWS

US trade war will only make us stronger, China’s top paper says

The trade war with the United States will only make China stronger and will never bring the country to its knees, the Communist Party’s People’s Daily wrote in a front page commentary that evoked the patriotic spirit of past wars.

The world’s two largest economies are locked in an increasingly acrimonious trade dispute that has seen them level tariffs on each other’s imports.

Tensions worsened this week after the Trump administration officially added China’s Huawei Technologies Co Ltd to a trade blacklist, immediately enacting restrictions that will make it extremely difficult for the telecom giant to do business with U.S. companies.

US-China trade war: Why Anand Mahindra says Chinese companies may soon increase investment in India

In a stridently nationalistic commentary, the ruling party’s official newspaper described China’s determination to protect its national interests and dignity as being as “firm as a boulder”. “The trade war can’t bring China down. It will only harden us to grow stronger,” it said.

“What kind of storms have not been seen, what bumps have not experienced for China, with its more than 5,000 years of civilization? In the face of hurricanes, the nearly 1.4 billion Chinese people have confidence and stamina.”

China’s confidence comes from the spirit of its people’s perseverance and endless struggle, it added, citing major disasters like floods, SARS and 2008’s massive Sichuan earthquake.

“From the Opium War to the Sino-Japanese War to the War of Resistance Against Japanese Aggression and the War to Resist U.S. Aggression and Aid Korea – disaster and misery have come one after the other, tempering the Chinese people, pushing Chinese society to forge ahead in setbacks and move forward in adversity.”
The many facets of Sino-US trade dispute

While it is a forgone conclusion that both the US and China will be affected by tariffs, China will be more so. In the US, the load of tariffs will impact US importers and indirectly impact consumers who now have to pay more for Chinese goods.

Economics impacts politics—and the other way round is equally true. Eleven rounds of the Sino-US trade talks led by China’s Vice-Premier Liu He (an economist) in Washington DC failed to reach a trade deal, with the US increasing tariffs on $200-billion worth of Chinese goods from 10% to 25%. Tariffs on the remaining $325-billion worth of goods at that rate are to follow. Despite US President Donald Trump’s warning, China has retaliated with a tariff hike of 5% to 25% on $60-billion worth of US goods. While China has framed the retaliatory measures in terms of respect and dignity, the American tariffs go well beyond the economic dimension. In fact, the American response appears as part of an evolving strategy that takes a long-term picture of China as an economic and strategic rival. Clearly, the trade dispute has multiple dimensions.

There is ample writing on the wall to suggest that the here and now matters much less to the American long-term strategic interests. The recent statement by the US Secretary of State, Mike Pompeo—that of China posing a challenge of “an authoritarian regime that’s integrated economically into the West in ways that the Soviet Union never was”—is an inkling of how the US views China: Somewhat of a formidable combination of the politics of the Iron Curtain with the economics of the Japanese miracle. This constitutes the backdrop to the Sino-US trade talks.

The US has cited China reneging on negotiations where the ‘enforcement mechanism’ remains a point of contention. The US has been trying to pin China down to legislation—regulations and laws embedded in the legislative process aimed at curbing forced technology transfer and intellectual property protection, rather than have the continued scenario
where foreign companies are welcome into China but have to partner with local companies, which forces transfers.

On the other hand, China views that tariffs and Chinese imports from the US, not ‘enforcement mechanism’, are the key issues. China appeared to have agreed to an ‘enforcement mechanism’ but backtracked, the reason why the US says China reneged on negotiations. Instead, China supports a nuanced ‘regulatory mechanism’.

While legislation would be enforceable and transparent, a ‘regulatory mechanism’ would work differently, where the Communist Party (CCP)/state could work it to advantage on an ‘on and off’ basis. The Chinese themselves may not be necessarily opposed to ‘regulatory mechanism’ as they view the CCP as the reincarnated Confucian ‘paternal state’/emperorship of yore that upholds the ‘mandate of heaven’, and national interests rather than personalistic interests.

That said, the American tariffs go well beyond the economic dimension and should be understood in in the context of China’s rise and recent actions. China’s territorial claims in the East and South China Sea, land reclamation, military facilities and maritime militia in the South China Sea have caused concern. In a striking departure, British and French ships have joined the Freedom of Navigation Operations (FONOPS). Recently, India participated in naval exercises with the US, Japan and the Philippines in the South China Sea.

Other key differences between the US and China include Taiwan and North-east Asia (North Korea), areas where China challenges the primacy of the American ‘pivot’. On Taiwan, China feels a national anxiety underpinned by a feeling that time is running out for reunification. This has to be understood in the context of Taiwan’s demography. Taiwan has a population of 23.7 million and 40.7 is the current median age. Those aged 65 and above will make up 20% of the total population by 2026. In other words, the post-1949 generation (born and brought up in Taiwan) is increasing, and the older generation with memories of China and the emotional impulse of reunification is decreasing.
Instead of reunification, Taiwanese President Tsai Ing-wen, who faces re-election (January 2020), has called for support of Taiwan’s democracy, tellingly saying: “...I think the experience of Hong Kong teaches the Taiwanese a lot.”

As for North-east Asia, it continues to be unstable, with renewed tensions following North Korea’s resumption of short-range missile tests (May 4 and May 9, 2019), the first missile launches since the North Korea’s ICBM in 2017. In a parallel development, the US has seized North Korean cargo ship named Wise Honest (exporting North Korean coal) for violating sanctions. Wise Honest has been towed away to Pago Pago, American Samoa.

North-east Asia has gained centre stage once again, given that the diplomatic high following President Trump-Chairman Kim summit (Singapore, 2018) has touched a new low—following the dismembered talks at the President Trump-Chairman Kim summit (Hanoi, 2019).

The optics in North-east Asia is critical, given that it is the last bastion of the Cold War between China, North Korea and Russia on one hand, and the US, South Korea and Japan on the other.

Much of the enthusiasm surrounding the 4.27 Panmunjom Declaration (April 27, 2018), which marked the first Inter-Korean meet in a decade, has dissipated. The key Panmunjom Declaration for Peace Prosperity and Unification of the Korean Peninsula at Panmunjom (the first Inter-Korean meet) that affirmed the conversion of the armistice agreement into a peace agreement and a nuclear-free Korean peninsula is yet to materialise. The fourth Inter-Korean meet is yet to take place. On ground, UN operations have stalled DMZ Tours to Panmunjom at the DMZ (Demilitarised Zone).

The US has been frustrated that sanctions on North Korea have had limited impact on North Korea, given that for China and Russia, North Korea is a ‘core interest’. North Korea has been holding up, despite being in the midst of what the UN estimates a severe ‘hunger crisis’. Ten million North Koreans are at risk after a bad harvest, with the 2018-19 food crop production 4.9 million metric tonnes, the lowest since 2008-09. The food deficit is estimated to be 1.36 million metric tonnes.
The South China Sea and North-east Asia speak volumes about the niggling issues festering in the US backyard, whilst Sino-US talks are out in the front yard.

While it is a forgone conclusion that both the US and China will be affected by the tariffs, China will be more so. In the US, the load of the tariffs will impact US importers and indirectly impact consumers who now have to pay more for Chinese goods. The US may tilt towards a ‘better late than never’ approach.

For the Chinese, the tariff hike shows that President Trump is no ‘paper tiger’. Despite the hoopla surrounding Sino-US trade talks (or even the summit meeting with Chairman Kim in Hanoi), Trump has walked away, holding the line. This is a departure from the previous decades when China was given leeway, when it was weaker. Trump’s stance may have a favourable bearing on his re-election bid in 2020.

On China’s part, reactions to the tariffs have been low-key and, if anything, have been downplayed by the official media. China’s commerce ministry has said that ‘necessary counter measures’ would be taken. Vice-Premier Liu He has sought restraint on both sides and need to nip ‘unlimited escalation’ in the bud likening the talks to ‘running a marathon … that gets harder as you reach the final stages’.

Chinese media is showing restraint, too. The People’s Daily (Communist Party’s newspaper) carried an article saying the US had “misjudged China’s strength, capacity and will, further escalating trade friction between our two countries.” The China Daily ‘deeply regrets’ the tariff hike, running a collection of comments by global analysts on the implications of the tariffs. Even the Global Times, known for its acidic tongue, showed uncharacteristic restraint, saying that 2019 marked 40 years of Sino-US relations and that “at 40, one should no longer be confused.” China is not blowing its own trumpet about the retaliatory tariffs either.

Despite the lowbrow, low-key, muted criticism of America and, importantly, the absence of criticism about China’s own political leadership, there is little escaping political damnation. In China, where ‘face’ (mianzi or ‘keeping face’) is key, China seems to have ‘lost face’ in the global order. Has China erred in judgement and made a
miscalculation—of departing from the dictum ‘biding its time’ before its time? That is the question that Zhongnanhai must ask itself.

Source: financialexpress.com- May 18, 2019

‘Trade war with US could slice 1% off China’s GDP’

After Trump action on Huawei, Beijing says Washington must show sincerity for talks

A high-ranking Chinese official has said the ongoing trade war with the US could slash China’s GDP by one per cent, in the first such admission by Beijing that the tariff war with Washington is biting the world’s second largest economy.

The Chinese economy which is on a downward trend slowed to 6.8 per cent last year and the government this year officially slashed the GDP growth forecast to be between 6.5 and 6 per cent.

US President Donald Trump, who kicked off the trade war last year, is demanding China to reduce the massive trade deficit which has climbed to over $539 billion last year. He is also insisting on Beijing for verifiable measures for protection of intellectual property rights (IPR), technology transfer and more access to American goods to Chinese markets.

The US-China trade war could slash one percentage point off Beijing’s economic growth this year, Wang Yang, one of the seven members of the elite Politburo Standing Committee of the Communist Party of China (CPC), was quoted as saying by the Hong Kong-based South China Morning Post.

Speaking to a group of Taiwanese business people whose companies are based in mainland China, Wang said the government had assessed the impact of the near year-long dispute and estimated that in the worst-case scenario gross domestic product growth would be one percentage point lower than expected.

While Wang did not outline any plans for dealing with the fallout from the trade war, he is the first official from the top policymaking body to
speak so candidly about its possible impact on headline targets, the report said.

So far the two countries slapped billions worth of tariffs on each other’s exports. Trump had threatened to slap tariffs on the remaining Chinese exports. He has also been asserting that China is at a disadvantage as its economy was not so good and the tariff war would hurt Beijing badly.

‘Show sincerity’

According to a Reuters report, China has said that the US must show sincerity if it is to hold meaningful trade talks.

China has yet to say whether or how it will retaliate against the latest escalation in trade tension, although the state media has taken an increasingly strident tone, with the ruling Communist Party’s People’s Daily publishing a front-page commentary that evoked the patriotic spirit of past wars.

China’s currency slid to its weakest in almost five months, although losses were capped after sources that the central bank would ensure the yuan did not weaken past the key 7-per-dollar level in the immediate term.

Foreign Ministry spokesman Lu Kang, asked about state media reports suggesting there would be no more US-China trade talks, said China always encouraged resolving disputes between the two countries with dialogue and consultations.

Source: thehindubusinessline.com- May 17, 2019
US eliminates GSP benefits to Turkey

US President Donald Trump in his recent proclamation terminated Turkey as a beneficiary nation under Generalised System of Preferences (GSP). Largest and oldest US trade preference programme, GSP is designed to promote economic development by allowing duty-free entry for thousands of products from designated beneficiary countries. The termination of Turkey, a NATO ally, became effective from May 17, 2019. Trump also removed the exemption for Turkey from application of the safeguard measures on CSPV products and large residential washers is removed.

The United States had designated Turkey as a GSP beneficiary developing country in 1975. This had helped the country achieve a higher level of economic development including an increase in its Gross National Income (GNI) per capita, decline in poverty rates and export diversification. The GSP program allows certain products to enter the United States duty-free if beneficiary developing countries meet the eligibility criteria established by the Congress.

GSP criteria include, among others, respecting arbitral awards in favor of United States citizens or corporations, combating child labor, respecting internationally recognized 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 program depending on factors related to economic development.

Source: fashionatingworld.com- May 18, 2019

***************
Pakistan’s trade with Sri Lanka comes to a halt

Trade between Pakistan and Sri Lanka has come to a screeching halt. The reason behind the stoppage is said to be the rising violence against the Muslim community in Sri Lanka in the wake of recent terrorism and suicide attacks over there, which resulted in heavy casualties.

“Rice and textile exports to Sri Lanka from Pakistan have stopped. Potato export has also reduced drastically,” said Pakistan-Sri Lanka Business Forum Chairman Aslam Pakhali.

Sri Lanka bombings mastermind spent ‘substantial time in India’

“It is the Muslim community in Sri Lanka that imports Pakistani products and sells them there. They are partners of Pakistani exporters,” said Pakhali, adding that the properties of Muslims were damaged during the recent wave of violence over there.

“Their shops, super stores and godowns are being targeted. The goods exported from Pakistan have been unloaded at the Sri Lankan port, but the importers are not getting them cleared because of the deteriorating law and order situation there,” he added.

“The goods, especially fruits and vegetables, in godowns are perishing.

Sri Lanka is a major importer of Pakistani rice and textile products, but the exports have come to a halt,” he added.

Pakhali said a delegation of the forum held a meeting with the Sri Lankan ambassador in Pakistan and emphasised that the Muslim community over there be protected.

The delegation condemned the terrorist activities in Sri Lanka and condoled the loss of precious lives over there.

Pakistan condemns terror attacks in Sri Lanka

They demanded of the Sri Lankan government to compensate for the losses inflicted upon the Muslim community and provide them with protection.
Pakhal said, “The loss to the Muslim community by now is estimated at $500 million and payments to the Pakistani exporters amounting of $30 million have been withheld.”

He said the exports would not resume till the law and order situation in Sri Lanka improved. “Pakistan will face difficulties in achieving the export target in the final months of this fiscal year,” he added.

A Sri Lankan businessman Zainul Abideen told The Express through WhatsApp that the Muslim community in Sri Lanka was facing a ton of problems and was under siege.

“The law enforcement agencies are searching properties of Muslims. They are being attacked by mobs,” said Abideen. “Most of the losses to Muslims occurred in Negombo, Kurunegala and Puttalam districts. Violent mobs are attacking Muslims in the presence of security personnel.”

He said mobs were attacking Muslim neighbourhoods while the authorities were silent. “The national media of Sri Lanka is keeping its citizens in the dark about such injustice,” he added.

Source: tribune.com.pk- May 20, 2019
Pakistan: Cotton market sluggish

Trading remained lacklustre on the cotton market on Saturday. The Karachi Cotton Association reduced it spot rate by Rs50 to Rs8,600.

The Pakistan Cotton Ginners Association (PCGA) — contrary to its previous tradition of releasing data till May 1 — released its cotton report till May 15.

According to the figures released by the PCGA, 107.78 million bales reached ginning factories during the entire 2018-19 cotton season. Out of these, ginners are holding unsold stocks of 444,644 bales. Ginning factories in Rahim Yar Khan have the largest unsold stocks with 132,307 bales.

As per PCGA data, two factories (one each in Sanghar, Sindh and Vehari, Punjab) are still functional on old crop.

Cotton experts said that due to expected rains in cotton areas, ginners are of the view that the prices will increase after Eid.

Meanwhile, Chinese importers have cancelled some deals of cotton yarn with Pakistani exporters.

According to market sources, the Chinese also cancelled their deals with other countries as well. Imports of Chinese cotton products are being hampered as the US has increased tariff over Chinese products. They said Chinese importers are either offering low prices or are asking to cancel deals and this is a matter of concern for spinning mills.

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<table>
<thead>
<tr>
<th>Rate for</th>
<th>Ex-Gin Price</th>
<th>Upcountry Expenses</th>
<th>Spot rate Ex-Karachi</th>
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<tr>
<td>37.324kg</td>
<td>8,650</td>
<td>160</td>
<td>8,810</td>
</tr>
<tr>
<td>Equivalent 40kg</td>
<td>9,270</td>
<td>171</td>
<td>9,441</td>
</tr>
</tbody>
</table>
The following deals were reported to have changed hands on ready counter: 200 bales, station Sadiqabad, at Rs8,900; 400 bales, Alipur at 8,950; 400 bales, Ahmedpur East, at Rs8,450; and 600 bales (low quality), Vehari, at Rs7,800.

Source: tribune.com.pk- May 19, 2019
NATIONAL NEWS

Indian textile exporters to gain from US-China trade conflict
Cotton textiles, floor coverings, man-made filaments could benefit most, says industry

Textile exporters in India are optimistic that the additional tariff of 25 per cent imposed by the US on China as part of the on-going trade conflict between the two has opened up opportunities to increase their share in the American market.

As per a recent analysis done by the Confederation of Indian Textile Industry (CITI), the list of notified $ 200 billion imports from China on which additional tariff imposed by the US places Indian textile exporters at an advantageous position.

Of the $200 billion of imports from China, textile items comprise just $3.9 billion of the value, but it still provides enough scope to exporters in India.

“The US’ total import of these textile products from India was approximately $ 1.71 billion in 2018, which is 43 per cent of its imports from China. Out of the total textile products, cotton textiles account for the largest number of tariff-lines. In terms of value, the most imported products belong to floor coverings, non-woven cordage and man-made filaments,” said Sanjay Jain, Chairman, CITI.

The segments that have increased opportunities for Indian exporters include silk, wool, cotton, other vegetable fibres, man-made filaments, man-made stable fibres, floor coverings, non-woven cordage, special woven fabrics, knitted fabrics and coated and industrial fabrics. However, the additional tariff hike does not include garments and made-ups which won’t have an advantage like the other segments, Jain added.

Source: thehindubusinessline.com- May 17, 2019
India registers trade deficit with 11 RCEP members in FY19; check out countries with which gap increased, narrowed

India has registered trade deficit in 2018-19 with as many as 11 RCEP member countries – including China, South Korea and Australia – out of the grouping of 16 nations that are negotiating a mega trade pact since November 2012.

The Regional Comprehensive Economic Partnership (RCEP) bloc comprises 10 Asean group members (Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos and Vietnam) and their six FTA partners – India, China, Japan, South Korea, Australia and New Zealand.

According to the provisional trade data, India’s trade deficit – the difference between imports and exports – with three countries (Brunei, Japan, and Malaysia) has in fact increased marginally in 2018-19 as compared to the previous fiscal.

The trade gap with Brunei, Japan, and Malaysia has increased to USD 0.5 billion, USD 7.1 billion and USD 3.8 billion, respectively in the last fiscal. It was USD 0.4 billion, USD 6.2 billion and USD 3.3 billion in 2017-18.

However, deficit with Australia, China, Indonesia, Korea, New Zealand and Thailand has narrowed in 2018-19 as compared to the preceding fiscal.

With Australia, China, Indonesia, Korea, New Zealand and Thailand, it narrowed to USD 8.9 billion, USD 50.2 billion, USD 10.1 billion, USD 11 billion, USD 0.2 billion, and USD 2.7 billion, respectively, in 2018-19, compared to USD 10 billion, USD 63 billion, USD 12.5 billion, USD 11.9 billion, USD 0.3 billion, and USD 3.5 billion in 2017-18.

Interestingly, the trade surplus with Singapore (USD 2.7 billion) in 2017-18 has turned into deficit of USD 5.3 billion in 2018-19. India has trade surplus with Cambodia (USD 0.1 billion), Myanmar (USD 0.7 billion), and the Philippines (USD 1 billion) in 2018-19. India did not carry out any trade with Laos in the previous fiscal.
Experts have mixed views over the impact of increasing trade gap on India’s position in negotiating mega free trade agreement.

An industry expert on these negotiations said as this is a comprehensive trade deal, India will get greater market access in other countries not only in goods, but in services also.

On the other hand, some experts said that India needs to be cautious while negotiating the pact, as trade deficit is increasing with several of the RCEP member nations, which would impact domestic manufacturers.

“Free trade pacts are not about only giving market access, but also getting that access in other countries. Our exports to countries like Singapore, with which India has trade surplus, is not increasing. In 2018-19, we have a trade deficit with Singapore,” said Biswajit Dhar, the professor of economics at Jawaharlal Nehru University.

He said that as the strength of the domestic manufacturing is weak, India would not be able to take advantage of such free trade agreements. An official said that India does not have free trade agreement with two of its biggest trading partners – the US and China – but the country has highest positive balance of trade with America, while it has highest deficit with China.

RCEP negotiations, which started in Cambodian capital Phnom Penh in November 2012, aims to cover goods, services, investments, economic and technical cooperation, competition and intellectual property rights. Pressure is also mounting on India for early conclusion of the proposed trade pact.

Member countries are looking to conclude the talks by end of this year but many issues, including the number of products over which duties will be eliminated, are yet to be finalised. Domestic steel and other metal industries wants these sectors to be kept out of the deal. Under services, India wants greater market access for its professionals in the proposed agreement.
India already has a free trade pact with Association of South East Asian Nations (ASEAN), Japan and South Korea. It is also negotiating a similar agreement with Australia and New Zealand but has no such plans for China.

Source: financialexpress.com- May 19, 2019

Relief for importers as Gujarat HC stays IGST levy on ocean freight

Importers can breathe easy as the Gujarat High Court has stayed the levy of Integrated Goods & Service Tax (IGST) on ocean freight. IGST is levied on all Inter-State supplies of goods and/or services. It is also applicable on any supply of goods and/or services in cases of import into and export from the country.

Under the GST, there is specific provision with respect to taxability on the component of ocean freight. The law specifically provides that the importers are required to discharge IGST at the rate of 5 per cent on ocean freight services under the Reverse Charge Mechanism (RCM).

Under RCM, it is the duty of importer to pay IGST on behalf of foreign buyer. However, at the same time, customs duty on the CIF value (which includes the component of freight as well) of the goods imported into India is also paid by the importer. As a result, there is double taxation on the component of ocean freight under GST law which is an impediment and has bloated the cost of imports.

Keeping this in mind, a petition was filed with the Gujarat High Court. The petitioner, Mohit Minerals Pvt Ltd challenged vires of IGST related notification. The petition has principally three elements. First, having paid the tax under IGST Act on the entire value of imports (inclusive of the ocean freight), the petitioner cannot be asked to pay tax on the ocean freight all over again under a different notification.

Secondly, in case of CIF (Cost, Insurance and Freight) contracts, the service provider and service recipient both are outside the territory of India. No tax on such service can be collected even on reverse charge mechanism. And thirdly, in case of High Sea sales, the burden is cast on
the petitioner as an importer whereas, the petitioner is not the recipient of the service at all. It is the petitioner's seller of goods on high sea basis who has received the services from the exporter/transporter. The matter is pending.

A similar petition was filed by Ghanshyamlal and Company. The court took notice of order passed in the previous matter and granted stay. Now notice has been issued to the Central Government and both the matter will be heard on June 19.

Commenting on the development, Harpreet Singh, Partner in KPMG, said this is indeed a positive development and should come as relief to importers at large. The issue of double taxation has been at the forefront of recommendations by various industry bodies. “While the present order grants stay on levy of IGST on ocean freight, it would be interesting to track this case as importers would be hoping the final outcome settles the long pending issue of double taxation,” he said.

Source: thehindubusinessline.com- May 19, 2019

Don’t drag India into US-China trade war

First China. Now India? In recent months, US president Donald Trump has made clear that the trade war will reach beyond the People’s Republic. Not only has he threatened Japan and Europe with import duties on cars, he’s repeatedly blasted India as “the tariff king.”

Trump has obsessed over the Asian giant’s high levies on Harley-Davidson motorcycles and complained about its modest $24.3 billion surplus in trade with the US. In March, the president gave Congress notice that he plans to terminate duty-free privileges for $5.6 billion worth of Indian exports to the US. He could do so at any moment.

And Trump may not stop there. His administration is toying with the idea of exercising the same legal authority used to levy unilateral tariffs against China to impose higher duties on India. Imagine the world’s largest democracy, which Washington has diligently sought to enlist as
an ally against Beijing, being lumped together with America’s main strategic competitor.

India represents the rare bright spot in US foreign policy. With much difficulty, a years-long, bipartisan effort has greatly deepened ties with the prickly emerging power. Once considered the ultimate swing state, India is now seen as the fulcrum of the White House’s Asia strategy.

Trump’s trade tactics appear to reflect a belief that the US can fight tooth-and-nail with friends such as Europe and Japan without jeopardizing broader strategic ties or undermining efforts to balance China. Even in the unlikely event he’s right, given that those longtime allies count on the US security umbrella, that’s hardly a winning play in India.

The country hasn’t entirely shed a post-colonial mindset; it fervently values its autonomy and its place as a non-aligned nation. Regardless of how powerful strategic ties have grown in recent years, India still has no interest in a formal alliance with the US.

Successive US administrations have generally been willing to respect India’s choices. At the same time, they’ve quietly labored to strengthen habits of cooperation. Through a series of actions — in particular a civilian nuclear agreement reached in 2005 — these administrations have effectively declared: “India’s rise lies in America’s interests.”

If frictions were now limited to trade, those common interests might provide enough glue to maintain this positive momentum. Instead, the Trump administration’s complaints have expanded to include demands that India cut oil imports from Iran to zero and abruptly end significant arms purchases from Russia, or else face sanctions. The president has even belittled India’s significant development contributions in Afghanistan.

All this only reinforces the suspicions some Indians still hold about US reliability. Being a stakeholder in India’s future implicitly requires trading some short-term gains for more important long-term returns. The Trump administration should remember that an economically vibrant India will also be a much more capable strategic partner.

A hasty step such as removing developing-nation trade benefits, on the other hand, could begin to undermine the core logic of the partnership.
Whatever government emerges from Indian elections that conclude later this month may well decide it has little choice but to respond with retaliatory duties.

This would run counter to India’s own interests, of course. A trade confrontation with the US would undermine its argument that global companies should choose its huge, young, tech-savvy market as an alternative to China. Foreign investment is crucial to helping India develop its economy and play a more robust regional role.

It’s also worth pointing out that Trump is not entirely wrong. India is in need of trade reform and could have taken useful steps after Washington launched an April 2018 investigation into its practices and before the onset of the current political season. Instead New Delhi made scant progress and even slid backwards. The new government should swiftly revisit illiberal trade policies that hamper India’s regional economic integration, exports, global competitiveness and labor productivity.

A number of those policies are actually designed with China in mind. Like the US, India runs by far its largest trade deficit with its wealthier neighbor. If just afforded a chance, it might quietly lend a hand to US efforts to change China’s trade approach.

The Trump administration should give Indian leaders at least a couple months to get organized and draft some serious proposals, including on e-commerce restrictions. While the US dukes it out with China, India can hopefully get its act together and give Trump less incentive to launch another ill-advised trade assault.

This column does not necessarily reflect the opinion of the editorial board or Bloomberg LP and its owners

Source: financialexpress.com- May 18, 2019
Maharashtra to have new agri product export policy

The Maharashtra government has appointed a committee under the State Agriculture Commissioner to draft a new agriculture export policy. The State already leads in export of grapes, pomegranates and onions and the policy will focus on multiplying export of bananas, vegetables and rice.

The State Cooperative and Marketing Department has issued a resolution announcing appointment of the Committee, which comprises nine government officials from various departments.

The State government has already planned to develop six clusters to export oranges, pomegranates, grapes, onions, banana and mangoes. The new policy will be in consonance with the Centre’s Agriculture Export Policy which aims at reinvigorating the entire value chain from export-oriented farm production and processing to transportation, infrastructure and market access.

Commerce Minister Suresh Prabhu, in his recent address at the first State level awareness programme on agriculture export policy held in Pune, said that to achieve the purpose of the policy, clusters have been identified across the country for development of agriculture exports.

He also stressed on attractive packaging to increase the demand for the identified products. The Indian Institute of Packaging has been roped in for working on packaging standards for international markets.

Source: thehindubusinessline.com- May 17, 2019
How Sivaramakrishnan Ganapathi knit the biggest revival story of India’s apparel export industry

In December 2017, Sivaramakrishnan Ganapathi was in Dubai for a short Christmas holiday with his family. It had been planned months ago. Else he would have avoided taking a break just two months after taking a job as managing director at Gokaldas Exports.

But this was in some ways worse — now he was on vacation, and yet his mind was preoccupied. After two decades at the Aditya Birla Group, it took a lot of deliberation to quit as chief operating officer at Idea Cellular and move to lead Gokaldas, heeding the call of his friend and IIM-Bangalore classmate Mathew Cyriac, a one-time PE executive who now owned a significant chunk of the publicly traded garment exporter.

Gokaldas was weighed down not just by the structural challenges in India’s apparel export industry — low margins, a fluctuating rupee and competition from countries such as Vietnam, the Philippines, Pakistan and Bangladesh — but also its own chequered past.

The company was among the earliest India targets for Blackstone, one of the world’s largest investment firms, led by the influential American executive Stephen A Schwarzman. By virtue of its scale, Blackstone’s investments and their performance are closely watched for signals about sectors and countries.

In 2007, the bulge bracket investor put in Rs 482.50 crore for a 50.1% stake, which at Rs 275 a share represented a 20% premium to the prevailing share price. It then acquired another 20% through an open offer. Over the next decade, however, the company stagnated, its dollar revenues halved, and its share price was hammered down to double digits.

Blackstone tried to sell the company, and slowly offloaded its stake. In early 2017, after having spent a decade at Blackstone, Mathew Cyriac quit as co-head of the firm’s private equity business in India to start his own fund. It was when he went to the company’s New York offices to say his goodbyes that the firm offered Gokaldas to Cyriac. When his Florintree Capital bought Blackstone’s stake at Rs 42 a share — through
special purpose vehicle Clear Wealth Consultancy Services LLP — the deal represented an 84% write-down on the latter’s original investment.
First order of business was hiring a CEO, and the second, backing them up with necessary capital. “When I looked around, most apparel exports companies were led by their owners. I decided I needed to find a CEO who would think like an owner,” Cyriac says.

Ganapathi’s mandate was to turn around the company, once India’s largest apparel exporter. He visited the company’s Bengaluru factory four times before he signed on. He also held discussions with the company’s chairman, Richard Saldanha, who told him that the company was not in the business of apparel, but in the business of trust.
Companies such as Gokaldas make their money by supplying garments to the world’s leading fashion retailers. Think Gap, Tommy Hilfiger, Zara and so on. These brands are not just paranoid about quality, they need to be able to trust a supplier to not deviate from specifications across tens of thousands of units. Nurturing relationships, calming frayed nerves, offering the flexibility to quickly turn around unscheduled but urgent orders — these are all as much part of the business as producing high-quality garments.

Cyriac says he also felt a “moral obligation” to set the story right, as someone who had been part of Blackstone’s India journey right through. (He was not involved in managing Gokaldas while he worked at the investing firm). There were 25,000 employees who were counting on the company’s turnaround.

Big players such as Arvind Lifestyle were entering the field. Gokaldas had slipped to the seventh position on the export turnover league table. The top player, Shahi Exports, posted seven times as much revenue as Gokaldas, whose top line had stagnated at about Rs 1,000 crore for a decade. Things were not looking good.

Once he was in the driver’s seat, Ganapathi lost no time in donning the battle gear. On the morning of December 29, 2017, he took a break from his Dubai vacation and got into a video-conference, while the rest of the Gokaldas board joined from Bengaluru.
His primary focus was to get approval to raise around Rs 125 crore. That was the easy part. It would take five more months for the company to raise Rs 70 crore through qualified institutional placements. The money came from L&T Mutual Fund and HSF Mauritius, an overseas fund.

With the money in the bag, Ganapathi turned his focus on customers and efficiency. Around a year later, his plan seems to be working. After recording losses of Rs 46 crore in 2016-17 and Rs 28 crore in 2017-18, Gokaldas has recorded a net profit of Rs 25.58 crore for 2018-19. All the four quarters were in the black despite the apparel exports industry facing steady headwinds. The shares of the company closed at Rs 76 at the end of trading on Friday, May 17.

The challenge now is to maintain the gains and take the company higher up in the exports league table. So what did Ganapathi change?

Richard Saldanha, chairman of Gokaldas Exports and a former vice-chairman at Blackstone, says the basic change has been “how the company goes to market” — how it interacts and sells its services to its clients.

Saldanha had joined the Gokaldas Exports board in 2011 after the exit of the erstwhile promoters, the Bengaluru based Hinduja brothers — Madanlal, Rajendra and Dinesh (unrelated to the UK based Hinduja group).

It was unusual for a private equity investor to let the erstwhile promoters run the business for three years after a buyout. After the trio left, the company saw two more CEOs — Gautam Chakraborty and P Ramababu — come and go. But sustainable performance eluded it. Meanwhile, the rupee to dollar rate that was around Rs 39 in 2007-08 was flirting with Rs 70 in 2017.

Earlier, says Saldanha, Gokaldas would go to customers only to take orders. One of the first things Ganapathi did after taking over as CEO was to visit all his major customers across the world — the list includes the likes of Nike, Adidas, GAP and Marks & Spencer.

Ganapathi says: “I met all the customers one by one, explained to them that we are seriously committed to the relationship and we will expand
our capacities.” Next, Ganapathi focused on increasing capacity. “The company has been shrinking and giving up on capacity. I thought let me push it.”

He found assembly lines lying idle in warehouses and decided to revive them. This alone led to a 10% increase in capacity. Another move was operational efficiency. He pushed the same assembly line that made 1,000 garments in a given time to make 1,100, he says.

“We tried to engineer the assembly lines better.” Ganapathi says a garment-making assembly line is not a smoothly moving chain. A particular stitch may take 33 seconds while the next one may take 38 seconds, and bottlenecks develop at these points.

“We redeployed the most efficient workers to the parts of the assembly line that took more time.” Automation was brought in to expedite work. “We reduced the time taken to make a shirt from 21 minutes to 19 minutes,” Ganapathi adds.

Margins soon improved and working capital needs dropped from 120 days to 100 days. The last and key part of the turnaround process was to inject funds and invest in new, modernised processes. The fund infusion happened in May 2018. The company invested Rs 36 crore in improving its plants, processes and information systems, and also acquired seven new customers. Ganapathi points out that for over a decade no equity had flowed into the company, as the buyout deals were between promoters.

Cyriac says he sees a “big opportunity” in the industry. “We see a chance to treble the company’s turnover in double quick-time and opportunities to acquire many distressed assets,” says Cyriac. He also sees an opportunity to build an apparel-making platform around Gokaldas Exports.

Independent analysts are not quite as optimistic. “India’s apparel exports are estimated to de-grow by 4-5% in FY2019, following a similar de-growth of 4% in FY2018,” credit rating agency ICRA said in a February report. The report added a bottom was near and it expected a positive movement soon. However, it also pointed out that Indian
players have not been able to make anything out of overall growth in the global trade in apparel.

China has been continuously losing market share, which has been pocketed by Bangladesh and Vietnam. The report pointed out the new emerging free-trade agreements such as the 11-nation trans-Pacific partnership and the proposed European Union-Vietnam foreign trade agreement would be detrimental for Indian exporters. These would give exporters from nations with zero or very low tariffs access to the Indian market. There are domestic challenges, too, says Ganapathi.

Despite all the homework he did before joining, he was not ready for the sudden developments — for example, the rupee strengthening in the last few months of 2017, the impact of the goods and services tax regime on exports or the credit squeeze on banks. Other structural changes can help Gokaldas.

Analysts at Prabhudas Lilladher said in a December 2018 report that as global customers set up shop in India, now 20% of Gokaldas’ revenues would come from the domestic market. The report, by Shailee Parekh and Charmi Mehta, said: “We expect Gokaldas Exports to grow revenue at a compounded annual growth rate of 18.3% in 2017-18 to 2020-21, taking the overall turnover to over Rs 1,700 crore in 2020-21.”

It also predicted a sharp growth in its gross margin from 48% now to 53% by 2021. This would be music to the ears of investors such as L&T and HSF Mauritius who invested in Gokaldas last year, and can push the company up to among the top three among Indian apparel exporters. The market capitalisation of Gokaldas Exports has been stagnant at Rs 300-400 crore for over a decade.

Source: economictimes.indiatimes.com - May 19 2019
The long and the short of quality cotton

Incentivising farmers who grow the extra long staple variety could help increase its production

While India tops the world in cotton production, there is little to celebrate in terms of quality.

At a recent conference in Mumbai on developing a comprehensive roadmap to incentivise the production of extra long staple (ELS) cotton, particularly Suvin, the chairperson of Cotton Corporation of India (CCI), Dr P Alli Rani, asked why India should not be leading the world in terms of quality as well.

Since British times, quality in Indian cotton has been defined as longer stapled, fine cotton. One tends to forget that the finest muslin woven in the world came from a short-staple, silky cotton grown on the banks of the river Meghna, in Bengal. That history has been consigned to dust, though a few people are trying to revive the fine muslin weave.

However, for the Indian government, it is reviving Suvin (a hybrid of Sea Island cotton from St Vincent in the Caribbean Islands, and Sujatha, an Indian variety) that has been a priority for some time. ELS denotes a category of cotton fibre with a staple length of more than 32.5 mm. India now imports 5-6 lakh bales of ELS to meet its requirement of higher quality yarn for fabrics and ready-mades.

The Central government and the Textiles Ministry have, for some time, focused on the expansion of Suvin cultivation, which has fallen behind over the years due to various reasons. The main concern is also the increasing imports of long stapled cotton by garment and luxury segments in India, which cannot find enough of it here. But the way forward doesn’t seem easy.

Dr MV Venugopalan, principal scientist, (agronomy), Central Institute for Cotton Research (CICR), Nagpur, said the areas under ELS cannot be extended beyond a point as it cannot grow everywhere. The aim must be to recapture the areas lost to Bt cotton. There is already a roadmap prepared by the Centre last year to increase Suvin cultivation to an
additional 2 lakh hectares to produce an extra five lakh bales but the problem is to generate the large amount of seeds this will require.

Ironically, India is also the second largest exporter of cotton in the world but, as Sanjay Sharan, joint secretary and textile commissioner, said, ELS production has come down from 24.5 lakh bales in 1983-84 to a mere five lakh bales now. There is an urgent need to boost ELS production, as a considerable amount of foreign exchange was spent on importing it.

However, ELS is a long duration crop (182-210 days) and the yields were low, at 15 quintals cotton per hectare. More important, the ginning out-turn was 25-33 per cent as against 34-40 per cent for other cotton. ELS is only grown in four States — Karnataka, Tamil Nadu, Madhya Pradesh and Rajasthan.

Ajit B Chavan, secretary, textiles committee, pointed out there was a need to incentivise Suvin production by offering farmers World Trade Organisation (WTO)-compliant subsidies to produce more.

Farmers growing ELS have faced a lot of disappointment over the years. Manohar Sambandam worked with farmers in Thiruvarur district, Tamil Nadu, to grow the extra long staple cotton DCH 32 in 2013. However, the farmers didn’t get a good price and the yields were only ten quintals an acre. Sambandam leased 25 acres, paying a lease of ₹4.15 lakh but could not even recover his costs of cultivation.

However, buyers and importers of ELS cotton lament that while countries such as the US and Egypt have done considerable research to improve ELS cotton varieties like Pima and Giza, India was lagging behind. There was also the big question of contamination of cotton, prompting buyers to look for better quality abroad.

Improving fibre quality has its problems, according to Dr AH Prakash, project coordinator and head, All-India Coordinated Research project. “When you increase the yield, the fibre quality suffers. With the advent of Bt cotton, there is a total imbalance in the genetic diversity of cotton,” he pointed out.
Another issue is the investment on research, which is given least importance, according to Dr Rajesh Patil, principal scientist, department of genetics and plant breeding, University of Agricultural Sciences (UAS), Dharwad. In fact, he said Suvin came out of a public-private research partnership as Madura Coats had sponsored the effort for their own requirement of fine cotton.

Meanwhile, the Karnataka State Seed Corporation and UAS have worked on developing transgenic ELS cotton and the results were surprising as it outperformed Bt cotton with an extra 10 per cent yield, Dr Patil said. This year, long stapled cotton DCH 32 with the Bt gene will be given free to 100 farmers to incentivise growing ELS cotton as a demonstration, he added. That was one way to increase the area under ELS.

The writer is a senior independent journalist and author based in Maharashtra

Source: thehindubusinessline.com- May 17, 2019

Textile staples growing at four per cent

The global textile staples market is growing at 4.9 per cent. It is majorly driven by growing application of technical textiles in large sectors such as construction and automotives. In emerging countries, rising disposable income is significantly boosting market growth. China and India are making significant contributions to the market. North America is in the second spot and accounts for a sizeable share of the market.

Based on natural fiber textile staples, cotton is accounting for the largest share of the market. Retailers are labeling their products as being environmentally friendly to gain a competitive advantage in the market. Polyester is the most preferred type of synthetic fiber for textile staples.

In developed regions such as North America and Europe, manufacturers of textiles are shifting their focus from commodity goods to value-added products. Therefore manufacturing of generic textile products as compared to niche technical textile products is expected to slow down in
the near future. Key players in the market are laying emphases on R&D activities to enhance wearability of e-textiles and fabrics that enable digital constituents and electronics to be embedded in them. Indorama, Reliance and Woolmark are some of the leading companies operating in the global textile staples market.

Source: fashionatingworld.com- May 18, 2019