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IBTEX No. 127 of 2018 June 20, 2018

USD 68.15| EUR 78.84 | GBP 89.67 | JPY 0.62

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
21967	45950	**85.71**

Domestic Futures Price (Ex. Gin), June

Rs./Bale	Rs./Candy	USD Cent/lb
21830	45663	**85.17**

International Futures Price

NY ICE USD Cents/lb (July 2018)	83.32
ZCE Cotton: Yuan/MT (Jan 2019)	17,260
ZCE Cotton: USD Cents/lb	**102.61**
Cotlook A Index – Physical	**101.70**

Cotton guide: Massacre across markets on Tuesday; no respite to equities nor commodities. Cotton hit limit down. December settled lower at 83.82 cents while July ended at 84.32 cents per pound. In last three trading sessions cotton price has dropped almost 1000 points or 10 cents. This is definitely abnormal. So much of movement happens over a 3 to 4 months. We have been seeing very erratic as well as quick movement in cotton and very profound reason is US-China trade war. However we feel both traders- commercial and non- commercial participants have been very active in the market. There has been clear selling from rise amid hefty long liquidation. Market is also estimating good rainfall in last one week in West Texas region is good for US cotton production. All of sudden the psychology has turned towards bearish for Cotton traders; are now estimating more drop in the price. Cash buyers are hoping for more decline in the price and mills who have fixed their positions three days ago have gone almost into insolvency.

A glimpse on the trade at the ICE the aggregate open interest which made a record high of around 0.3210 million contracts have sharply declined by more than 26K contracts. The trading volumes have been higher with an average day trade is more than 50K contracts.

On the technical front 10 cents decline from the recent top and market holding near 83 cents for December seems a bit planned move. We feel as long as the support is respected market would now be sideways or trade in a very confined range. However note a breakdown below 83 would again change face and pull cotton price down below 80 cents.

This morning in early Asian session cotton is seen trading higher by more than a per cent from previous day close. We expect ICE to trade in the range of 83 to 85.80 cents per pound for December contract.

Coming to domestic market the both spot and future markets have corrected sharply onto downside. The spot price for S-6 has declined below Rs. 46K per candy ex-gin but the future for June ended sharply lower at Rs.21810 down by Rs. 580 from previous close. We expect market to remain sideways today intact initially there can be some pullback in the price as part of profit booking. The trading range for the day would be Rs. 21700 to Rs. 22K per bale while broad view will remain on the lower side.

Indian rupee- Indian rupee has appreciated by 0.45% to trade near 68.08 levels against the US dollar. Rupee is seeing some recovery after sharp 0.6% depreciation yesterday. Rupee has also benefitted from RBI announcement of an open market bond purchase for 100 billion rupees to take place on June 21. Correction in crude oil price on expectations of OPEC's production hike has also supported rupee. However, weighing on rupee is weaker risk sentiment amid increasing tensions between US and China over trade policies. China has vowed to retaliate forcefully against President Donald Trump's threat to slap tariffs on another $200 billion in Chinese imports. Fed two more rate hike expectations in 2018 has also supported US dollar against major currencies. Rupee has witnessed a gap up opening but the gains may not sustain on weaker risk sentiment. USDINR may trade in a range of 67.85-68.25 and bias may be on the upside..

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

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INTERNATIONAL NEWS

Trump Escalates China Trade War With A New $200 Billion Tariff Threat, Beijing Calls it "Blackmail"

As promised, President Trump has directed the United States Trade Representative to consider more tariffs on Chinese imports in response to the country's retaliation against Trump's first set of tariff measures.

These tariffs, if they take shape, would come in addition to the $50 billion in tariffs the president confirmed on Friday, and would be above and beyond any already in place tariffs on China trade.

Because the tariffs are designed to "encourage" China to correct its unfair practices tied to intellectual property, Trump has been clear that any acts to hit back—which China did, promising tax measures of "equal scale and equal strength"—would be an additional affront.

"Unfortunately," Trump said in a White House statement released Monday, "China has determined that it will raise tariffs on $50 billion worth of United States exports. China apparently has no intention of changing its unfair trade practices related to the acquisition of American intellectual property and technology."

Instead of adjusting, which the president wanted, he said China is now threatening U.S. companies, workers and farmers who have done nothing wrong, and that its in-kind tariff response "clearly indicates its determination to keep the United States at a permanent and unfair disadvantage, which is reflected in our massive $376 billion trade imbalance in goods. This is unacceptable."

As such, Trump has directed the USTR to identify an additional $200 billion worth of Chinese goods that could face tariffs at a 10 percent rate, lower than the 25 percent tariff the first $50 billion worth of targeted goods will face.

"After the legal process is complete, these tariffs will go into effect if China refuses to change its practices, and also if it insists on going forward with the new tariffs that it has recently announced," Trump said in the White House statement. "If China increases its tariffs yet again, we will meet that action by pursuing additional tariffs on another $200 billion of goods."

China's actions, however, don't at all resemble backing down.

A statement from the country's ministry of commerce Tuesday said China will strike back again if need be, with both "quantitative" and "qualitative" measures.

"Such a practice of imposing extreme pressure and blackmailing is contrary to the consensus the two sides have reached through rounds of consultations, and disappoints the international community," the statement said, according to Xinhau news.

In short, the standoff continues. And as many continue to reiterate, neither side will likely emerge the winner.

"By pushing for additional tariffs on $200 billion worth of U.S. imports from China, the president is increasing his 'Trump Tax' without asking for input from Congress and thus raising the cost for American consumers," Rick Helfenbein, president and CEO of the American Apparel and Footwear Association, said Tuesday. "Rather than letting this continue, it is time for Congress to utilize its power to regulate commerce with foreign nations, as outlined in the Constitution."

As the inquiry into additional tariffs is still so preliminary, there hasn't been much indication as to what products would make the list of targets, but if the National Council of Textile Organization gets what it's been pushing for, textiles and apparel might still make the cut.

In a statement Friday following Trump's announcement that the U.S. was moving forward with the first $50 billion in tariffs on Chinese imports, NCTO praised the removal of most textile and machinery from the tariff list as their inclusion would have hindered the competitiveness of U.S. textile manufacturers. What NCTO wasn't as pleased with, however, was that textiles and apparel were still left out of the conversation.

"NCTO is convinced that the Trump administration's efforts to deter China's unfair trade practices would be even more effective if textile and apparel end products from China were made subject to Section 301 tariffs," NCTO president and CEO Auggie Tantillo said. The line of thinking is that curbing textile and apparel imports from China, would improve prospects for domestic manufacturing in the sector.

When Trump confirmed the now-in-place $50 billion in tariffs, which will take effect July 6, nearly 300 of the tariff lines for inclusion were still under review, meaning a portion of what's proposed could potentially fall off the list and other things could be added.

NCTO said Friday that it would be working closely with the Trump administration to "refine" the list in hopes of seeing more textile and apparel products added. That collaboration could also end up aimed at the new $200 billion tariff list, should the U.S. move forward with it.

The USTR said Monday that the additional $200 billion in tariffs now under consideration will undergo a similar process as the first $50 billion, but added no further details as to when a proposed list of targets could be forthcoming.

Source: sourcingjournal.com- June 19, 2018

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Cotton prices continue upward trend in Brazilian market

Cotton prices continued to rise in Brazil in the first fortnight of June due to low supply from the 2016-17 and the 2017-18 crops in the spot market.

Between May 30 and June 15, the Center for Advanced Studies on Applied Economics/Luiz de Queiroz College of Agriculture (CEPEA/ESALQ) cotton Index rose 1.1 per cent, closing at 3.7898 BRL per pound on June 15.

During the fortnight, some processors were out of the market as they were expecting the harvesting to advance, which will result in increased domestic supply and the delivery pace, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

Processors also claimed that they were facing difficulty in passing on cotton price rise to finished products. So, some of them were working with the cotton previously purchased, while others were indulging in yarn trade.

Uncertainties regarding freight prices for now and the future further added to their woes.

However, price rise is not likely to sustain in the long run as Brazil's cotton output in 2017-18 season is forecast to total 1.959 million tons, which will be a sharp 28.1 per cent jump above the total production in 2016-17 season, according to Conab (National Company for Food Supply).

The expected increase in volume is due to a 25.2 per cent increase in area sown with cotton (1.176 million hectares) and 2.3 per cent higher productivity (at 1,666 kg per hectare) compared to the 2016/17 season.

Meanwhile, cotton exports from Brazil decreased for the seventh consecutive month in May 2018, according to data from Secex (the secretariat of foreign trade). May shipments were down 35.4 per cent to 18,500 tons compared to April 2018, and 5.6 per cent less compared to 19,600 tons of cotton exported in May 2017.

Source: fibre2fashion.com- June 19, 2018

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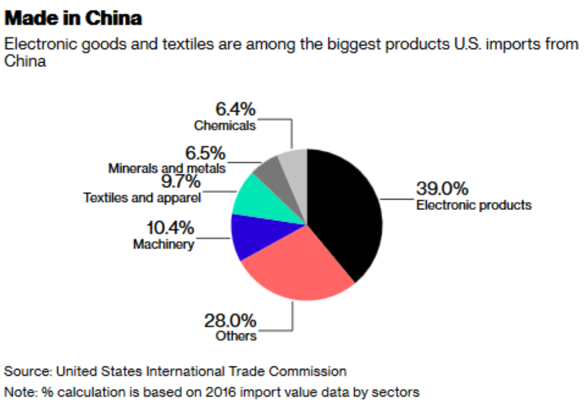
Trump's New Tariffs Could Hit U.S. Shoppers Where It Hurts

President Donald Trump is searching for more China-made goods to tax. His hunt could put the squeeze on the American consumer's wallet.



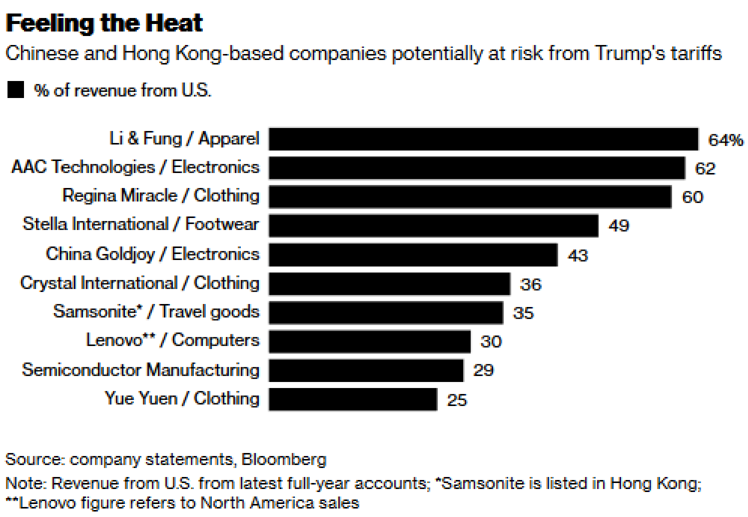
As the U.S. president threatens tariffs on an additional $200 billion in Chinese imports, he may find it difficult to spare electronic goods, clothing and textiles that account for half of all Chinese exports to the U.S. Last week, Trump's $50 billion hit list of made-in-China goods largely focused on high-technology industries such as robotics, aerospace and cars.

"They will focus on electronics," said Fielding Chen at Bloomberg Economics. "Compared to shoes, it's higher end. They focus on how much technology is inside, that's the main principle. If it's high technology, they will charge it."

This time round, U.S. companies from HP Inc. to Nike Inc. and Walmart Inc., and Chinese firms with American aspirations such as television maker Hisense Electric Co., may be snared as the net is cast wider. That's because some of the Chinese manufacturers that Trump is targeting are also suppliers to American brands.

The U.S. won't be able to reach the $250 billion number without putting tariffs on a "lot of" consumer goods imports, be that computers, cellphones or apparel, Brad Setser, a senior fellow for international economics at the Council on Foreign Relations, said on Twitter Tuesday. The U.S. consumers "will see/feel" the $200 billion, Setser wrote.

"The eventual losers will be the U.S. consumers," said Song Seng Wun, an economist at CIMB Private Banking in Singapore. "The Trump administration thinks that the Chinese will surrender first."



On Monday, Trump said he had instructed the U.S. Trade Representative's office to identify $200 billion in Chinese imports for additional tariffs of 10 percent.

He said the U.S. would impose tariffs on another $200 billion after that if Beijing retaliates. The range of products that could eventually be taxed by Trump is approaching the value of all U.S. imports from China last year -- about $505 billion.

In response to Trump's threats, China vowed to retaliate against U.S. companies.

Many Chinese manufacturers are part of the global supply chain. Li & Fung, which sources clothes and toys for retailers, counts Walmart and Macy's Inc. as customers, while Yue Yuen supplies Nike Inc. and Under Armour Inc.

Still, Trump may be willing to make exceptions. His administration has told Apple Inc. Chief Executive Officer Tim Cook that iPhones assembled in China won't be hit by the proposed tariffs, the New York Times reported, citing a person familiar with the matter.

Consumer electronics companies with large businesses or looking to make headway in the U.S., from Lenovo Group Ltd. to Hisense, may also face headwinds. Apart from Apple, many major American hardware makers also rely heavily on manufacturing in China, which became the world's factory floor via a combination of government incentives and cheap labor.

"The Trump administration is calculating that it will win this high stakes game of poker," said Rajiv Biswas, Asia Pacific chief economist at IHS Markit in Singapore. "The collateral damage from an escalating U.S.-China trade war will be widespread, hitting many Asian countries that are part of China's manufacturing supply chain in sectors such as electrical and electronic products."

Source: bloomberg.com- June 19, 2018

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Vietnam-EAEU FTA produces positive outcomes

Officials of Vietnam and the Eurasian Economic Union (EAEU) lauded the upbeat outcomes brought about by the EAEU – Vietnam free trade agreement (EAEU – Vietnam FTA) over the year and a half since it took effect.

The enforcement of the FTA was reviewed at a working session between Vietnam's Minister of Industry and Trade, Tran Tuan Anh, and Minister for Trade of the Eurasian Economic Commission (EEC), Veronika Nikishina, in Moscow, on June 18.

According to statistics released by Vietnam Customs, trade between the two sides hit US$3.9 billion in 2017, up 3% from 2016. Also in 2017, Vietnam recorded a trade surplus of nearly US$1 billion with the bloc.

In the first four months of 2018, the bilateral trade was at US$1.53 billion USD, an annual increase of 35%.

Key exports of Vietnam to the EAEU were phones – components, computers – electronic devices, apparel, footwear, fruit – vegetables, coffee, cashew nuts, and seafood. It mainly imported petrol, oil, steel, fertilizers, and machinery from the EAEU. The commodities of the sides supplement each other, thus limiting the disadvantages usually seen with other FTAs.

However, the two ministers took note of the low use of incentives brought by the agreement, particularly the Certificate of Origin Form EAV.

They called for further joint efforts to clear the hurdles for Vietnamese and EAEU businesses so that they can capitalise on the favourable conditions created by the bilateral FTA and bolster their bilateral trade towards a value of 10 billion USD in 2020.

Tuan Anh voiced his concern over the EEC's safeguard duties that are imposed on Vietnamese underwear and children's wear products for nine and six months respectively since March 14, 2018.

He noted that Vietnam had repeatedly asked for reconsideration of the duties considering that Vietnamese goods account for a low share in the EAEU's total import of such products, have good quality, and supplement the garment and textile products made by EAEU countries.

The Vietnamese minister asked the EEC to promptly lift the duties and make the criteria of its safeguard measures more transparent in the future.

Concluding their meeting, the two officials agreed to exert greater efforts to effectively implement the EAEU – Vietnam FTA and create the most favourable conditions for the bilateral trade of agro-forestry-fishery goods.

They reached a consensus on accelerating the negotiations to build an electronic origin assessment and certification system following the roadmap committed to by both Vietnam and the bloc.

In an interview with the Vietnam News Agency, Minister Tuan Anh said the FTA is a strong catalyst for trade with Russia, an important comprehensive strategic partner of Vietnam in the EAEU. The trade value with Russia currently accounts for about 90% of Vietnam's total trade with the bloc.

He said the EAEU is intensifying its trade and investment with the ASEAN Community in its strategy to expand its ties with the Asia-Pacific region, and Vietnam is also building production and distribution chains in the region.

Therefore, deeper cooperation with Vietnam will give producers and suppliers in Russia and other EAEU opportunities to join supply chains in the Asia-Pacific.

Source: en.nhandan.org.vn- June 19, 2018

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Italy: Textile sector needs new skill set for digitalisation

The digitalisation of production processes in the textile industry is in need of a whole new set of skills and training solutions for current trend of automation in Industry 4.0, according to a recent report released by the president of ACIMIT, Alessandro Zucchi, at the general meeting of ACIMIT. ACIMIT is the Association of Italian Textile Machinery Manufacturers.

Alessandro Zucchi reiterated the inevitability of the digitalisation process regarding the entire textile industry. Partnerships between technology suppliers and textile manufacturers have become an essential component in providing solutions to the needs of fast-fashion and increasingly more significant ecommerce retail channels. The declaration of intent launched by the trade association is essentially to strength the current link with educational institutions.

Zucchi said, “We need to consolidate the dialogue with schools making sure that our needs are met in professional terms, created by the new digital context and the ensuing opportunities young people can seize upon in sectors such as textile machinery production, in which Italy plays a pre-eminent role in providing excellence worldwide.”

At the general meeting’s opening remarks, professor Fortis, vice president of the Edison Foundation, illustrated Italy’s global leadership within the textile machinery industry, both in terms of exports and trade balance. The quality and distinction of Italian textile machinery has been reiterated by the latest figures provided by president Zucchi.

In 2017, production rose by 8 per cent, for a value of €2.4 billion, while exports grew by 7 per cent (€2 billion). Production benefitted from a growing demand abroad for Italian machinery, as well as the crucial recovery of Italy's domestic market, mainly due to the boost generated by the fiscal incentives for the digitalisation process of the companies.

Source: fibre2fashion.com- June 19, 2018

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Vietnam: HCM City to host third Denimjean show

The third edition of Denimsandjeans.com Vietnam Show will take place at Riverside Palace, HCM City, from June 27 to July 18.

This was announced at a press conference on June 18. The event, jointly organised by the Việt Nam Textile and Apparel Association (VITAS) and Balaji Enterprises of India, will introduce the world's latest fashion trends and achievements in the denim industry.

According to vice secretary of VITAS Nguyễn Thị Tuyết Mai, the event will see the participation of more than 40 reputable firms specialising in producing denims, accessories and textiles from Việt Nam and more than 10 countries, including India, Switzerland, Thailand, South Korea, China and Singapore.

By signing many free trade agreements (FTAs), especially the European Union-Việt Nam FTA and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, Việt Nam has become one of the leading destinations for investors interested in the textiles and garment industry, Mai said.

The show is quite attractive to retailers, fashion brands and textile companies from around the world, especially those from the European Union and the United States, Mai said, adding that it will provide a good opportunity for exhibitors to seek and establish partnerships.

Sandeep Agarwal, CEO of Balaji Enterprises, said the theme of the event, “Rock and Roll,” will look back on the formation and development of the denim and jeans industry in connection with the rock and roll genre of music over the past years.

In the framework of the event, six seminars will be held with the participation of international experts who will focus their discussion on the future of denim supplies, denim supply chain link for sustainable development and conversion from analogue to digital.

Source: vietnamnews.vn- June 19, 2018

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Bangladesh, UAE eye $5b annual trade

Bangladesh and the United Arab Emirates share a unique bond and special relationship rooted in common cultural heritage, principles and values.

Both the countries are committed to carrying forward the mission of strengthening the historic ties and impart a vision for the future that is durable and sustainable and conducive for the collective prosperity of the region.

Bangladesh concluded a General Trade Agreement with the UAE in 1984, and since then bilateral trade has been sustaining an upward trend. At present, the two-way trade stands firm at the $1 billion mark, showing a potential to increase it manifold in line with the government's policy.

The UAE was the first Gulf country to recognise Bangladesh and establish diplomatic relations.

The newly-appointed UAE ambassador, Saed Mohamed Al Mheiri, at a press briefing at his chancery office on Monday told the media that his country wants to be one of the major foreign investors in Bangladesh.

He said, “We are the number one investor in many countries around the world and that my country would like to be a major investor in Bangladesh too.” "We are exploring new avenues to expand existing bilateral trade relations between the two countries," he said. There is huge scope to increase this trade volume in years to come, he hoped.

The existing $1 billion trade volume can be expanded to $5 billion in the next three to four years, the embassy officials said.

Foreign Ministry officials said that the United States and European Union are Bangladesh's largest export markets, dominated by readymade garments because of the high demand there.

"Now it's time that Bangladeshi exporters focus on the Middle East and start using the UAE as a gateway," one official said.

According to Bangladesh Export Promotion Bureau official figures, the major exports of Bangladesh to the UAE are readymade garments, woven and knitwear, vegetables, frozen fish, jute yarn and twine, home textiles and textile fabrics, fruit juices, tea in packets, spices, stainless steel ware, melamine tableware, electronics, cables and jute products, among others.

Some vegetable products, plastic articles, cotton and cotton yarn, fabrics, iron, steel and its products, electrical machinery and equipment are also re-exported from the UAE to Bangladesh.

Bangladesh foreign ministry officials said the UAE-Bangladesh trade relationship has a high potential for growth as Bangladesh's exports are growing and have recorded $33 billion a year, mostly dominated by readymade garments exports to the US and countries within the European Union, the biggest export markets.

However, foodstuff dominates the country's exports to the UAE and is growing.

"Bilateral trade between the two countries could be accelerated if a direct shipping link between Dubai and Chittagong port is established … that will significantly reduce the transportation time and cost and make Bangladeshi products more competitive in price.

Besides, easing visit visa restriction will help Bangladeshi businessmen explore the UAE market, which could boost the local economy as well," said the official.

Source: thebangladeshpost.com- June 19, 2018

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Pakistan: Aptma rejects textile package saying that it would reverse 15 percent growth in exports

The CEC apprehended that the imposition of import duty on cotton would erode the viability and competitiveness of industry and nullify the gains in exports during the last one year.

The CEC also rejected the imposition of 11 percent duty on import of cotton from July 15, as the domestic cotton production in the coming season is expected to be even less than 10 million bales and the industry will have to import more than five million bales to meet the shortage. The CEC also criticised reduction in rebate and exclusion of yarn and fabric from the list.

The spokesman said that the Aptma CEC met with group leader Gohar Ejaz and Aamir Fayyaz in the chair to consider developments regarding imposition of duty on cotton and changes in the export package by the previous government.

A spokesman for the association said that, "But the package has revealed that it would be extended to the Indian products." adding that, "It was agreed between the Aptma leadership and the previous government that rebate would be offered on indigenous materials."

The Central Executive Committee (CEC) of the All Pakistan Textile Mills Association (Aptma) has rejected the textile package being extended by the previous government, saying that it would reverse 15 percent growth in exports, according to the statement.

The previous government had repeatedly assured the textile industry of the continuation of the original package, announced 18 months ago in January 2017, it said. The previous government had further assured that it would strictly be available for exports from indigenous materials.

Source: yarnsandfibers.com- June 18, 2018

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Bangladesh to construct 300 green RMG factories

Commerce minister Tofail Ahmed says nearly 300 green readymade garment (RMG) factories are under construction apart from the existing 67 factories. A total of 67 RMG factories have so far been certified as ‘green factories’ by the United States Green Building Council (USGBC), and of them 17 factories are included as the platinum class. The commerce minister also informed that the world’s best seven factories out of the 10 certified by the USGBC are situated in Bangladesh.

He says there is no direct rule on green factory in Labour Law and Labour Rules. As per a compliance report (January 2017-December 2017) of the Factory and Organisation Inspection Directorate, the number of “A Grade” RMG factories are 436 and the “B Grade” are 228. The programmes for ensuring compliance by making the RMG factories environment-friendly and including them in ‘green factory concept’ gradually are underway.

Source: fashionatingworld.com- June 19, 2018

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NATIONAL NEWS

Cotton blooms as US-triggered trade war intensifies, yarn prices up 10%

Cotton yarn prices have jumped a little over 10 per cent in two weeks, due to a sharp increase in demand from markets abroad, following rupee depreciation.

Along with yarn, there has been an increase in orders for Indian cotton from China , following a build-up in its trade war with the US. In a retaliatory measure, China has imposed 25 per cent duty on import of cotton from the US and is meeting its demand by sourcing more from India.

As of Tuesday, the benchmark 40-count of cotton yarn was trading at Rs 240 a kg, up from Rs 215-218 earlier this month. The rupee depreciated by nearly one per cent to below 68 a dollar during this period, from Rs 67.41 earlier this month. During the past few months, the rupee has fallen by nearly five per cent.

The sharp increase in yarn prices has revived sentiment in the spinning sector in this ongoing lean season. As a rule, demand for cotton yarn is lacklustre for about five months starting from the summer vacation.

"The surge in yarn prices is backed by a sudden spurt in demand from importing countries, including China and Bangladesh. Depreciation in the rupee has helped exporters contract more orders and execute past ones at better margins," said Ashok Patel, managing director, Angel Fibers, a Rajkot-based yarn maker.

China has contracted to import 500,000 bales (one bale = 170 kg) of cotton from India, after raising tariffs on import from the US. The new orders are in addition to the regular ones. China produces nearly 32 million bales of cotton annually, against its consumption of 45 mn bales. India exported nearly a million bales to China last year.

As a result, our overall cotton export is likely to rise 21 per cent to seven million bales for the cotton year ending this September, from 5.8 mn bales the previous year.

The price of the benchmark Shankar-6 variety of cotton has risen by 6.5 per cent in June so far, to Rs 13,160 a quintal from Rs 12,373 a qtl. In the course of a month, the price has risen 12 per cent.

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

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Cotton output estimate for 2017-18 cut by 7 lakh bales

The Cotton Advisory Board (CAB) has lowered its cotton output estimates of 377 lakh bales to 370 lakh bales for 2017-18. This was largely attributed to pink bollworm attack on cotton crops in Maharashtra, Telangana and Andhra Pradesh.

The estimated cotton output of 370 lakh bales for 2017-18, however, is higher by around 7% from the previous year's output of 345 lakh bales. The board had estimated cotton production to be 345 lakh bales and exports at 59 lakh bales for the season when it had met in December. Production estimates were lower in the beginning of the season as the board expected damage to the crop from bollworm attack.

CAB's closing stock has been estimated at 43 lakh bales. The Cotton Association of India (CAI), in its recent report, has estimated cotton crop for the ongoing 2017-18 season beginning from October 1, 2017, at 365 lakh bales (of 170 kg each), which is higher by 5 lakh bales from its previous estimate in May.

The CAI has estimated domestic consumption for the season at 324 lakh bales while the exports for the season are estimated by the CAI at 70 lakh bales. "We can end the season with exports of 70 lakh bales," Ganatra had said earlier adding that higher international prices would drive up shipments.

Meanwhile, Confederation of Indian Textile Industry (CITI) has estimated the production of Indian cotton crop for the cotton season 2017-18 at 373 lakh bales (170 kg each) which is estimated to be 8.11% higher from the previous year owing to the increase in area under cotton cultivation by almost 13% i.e. from 108.45 lakh hectares to 122.59 lakh hectares.

The estimated balance-sheet for 2017-18 shows production as 373 lakh bales, imports at 15 lakh bales and exports at 70 lakh bales. Further consumption is estimated to be 316 lakh bales (including non mill consumption of 19 lakh bales) against 306 lakh bales in 2016-17.

CITI chairman Sanjay Jain has said that the high prices of cotton domestically and internationally would further force the consumption to either remain stagnant or slightly at the lower side. Therefore, consumption figures should not exceed beyond 316 lakh bales (including the non-mill consumption of 19 lakh bales).

The consumption of last season 2016-17 was 306 lakh bales (including the non-mill consumption of 17.50 lakh bales).CITI has kept the opening stock of cotton for 2017-18 at 47.81 lakh bales as decided by the Cotton Advisory Board. The closing stock will be around 49.81 lakh bales which is quite sufficient for the textile sector to smoothly run their units throughout the year.

Meanwhile, textile commissioner Kavita Gupta has advocated adoption of global practices in cotton cultivation to avoid pest attacks and improve quality of the produce. Indian farmers need to adopt global practices such as adequate spacing between plantations, avoiding bushiness, etc., Gupta said.

The Textile Commissioner has proposed the Ministry of Textile interventions to adopt best global practices to promote cotton production and improve farmers income.

The move comes in the wake of massive pink bollworm attacks in the past 2-3 years in north India and in Maharashtra and Telangana this season. The pest attacks not only destroyed large amount of crop but also impacted quality of the remainder produce dragging down prices.

Source: financialexpress.com- June 20, 2018

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Committee to study demands of garment workers

Chief Minister H.D. Kumaraswamy on Tuesday directed officials to set up a committee involving Labour Department officials, textile manufacturers, Central trade unions, and garment workers to study the long-pending issues plaguing garment workers, including notification of minimum wages.

At a meeting with representatives of Garment and Textile Workers' Union and All India Trade Union Congress (AITUC) and Textile Manufacturers, the Chief Minister said the committee should come out with its report in a time-bound manner so that minimum wages of garment workers could be notified by this year-end.

Draft notification

Garment workers have been demanding that the new government implement the revision of minimum wages that the erstwhile Siddaramaiah-led government attempted by issuing a draft notification in February 2018, but withdrew it in March 2018. The industry employs around 4.5 lakh people in the State, mostly women, with nearly 3.5 lakh workers in Bengaluru alone.

The Labour Department had issued the draft notification on February 22, 2018, proposing to double the minimum wages in the tailoring industry. But garment workers' hopes were dashed when the department issued an order withdrawing the draft notification.

The department said the industry management had objected to the revision on the grounds that minimum wages in Karnataka were higher than that in other States and doubling it would have an adverse impact on an industry that is already facing tough international competition.

"In today's meeting, the Chief Minister said it is not possible to restore the withdrawn notification, and assured us that based on the new committee's report, minimum wages will be notified by this year-end," said a member of AITUC who attended the meeting.

Source: thehindu.com- June 20, 2018

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New Delhi to host Heimtextil from June 27

Heimtextil & Ambiente will be held in New Delhi from June 27 to 29, 2018. The fair will bring together top manufacturers and suppliers of home textile and interior décor industry with more than 100 companies participating from India, China, Indonesia, Switzerland and Thailand.

The Indian edition of these globally renowned fair will not only present business to domestic buying agents but also a plethora of modern design concepts, native décor themes, art, color trends and fresh business ideas through a host of supplementary events.

From themed exhibits to inspiring product designs, seminar sessions and experience zones, the platform will offer a quality experience in terms of business and industry networking. A series of trendsetting features will create a buzz among architects, interior designers, retailers, home stylists and design experts.

Innovative concepts in interior spaces will be showcased at a special zone through a design face-off between product and textile designers.

Finalists from Delhi, Mumbai, Bangalore, Ahmedabad, Jaipur in the age group 20 to 50 will showcase concepts on the theme of My Heritage, My New Age India.

Winners will represent India at Ambiente Frankfurt & Heimtextil Frankfurt next year. First look and season's new collections will be launched by leading brands like D'décor, Reliance, Aditya Birla, Hira Hastkala, R. R International, Manorama.

Source: fashionatingworld.com- June 18, 2018

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India's Myntra to open 100 offline stores in 2 years

Encouraged by the impact of its first offline store, India's online fashion retailer Myntra plans to launch 100 offline stores across the country in the next two years, Ananth Narayanan, CEO of Myntra-Jabong, said recently. Half of the 100 stores will be for Roadster, Myntra's most popular brand, and the rest for HRX, Mango and other brands.

Online sales of Roadster have increased after the first offline store was launched, Narayanan said at the launch of the second Roadster store in Bengaluru.

This increase in sales has come from pin codes around the store and not from any other part of the city, a news agency report quoted him as saying.

The Flipkart-owned company hopes to end the current fiscal at $1.9 billion gross merchandise value run rate, up from $1.2 billion for fiscal 2018, because of private labels and offline expansion.

The company is in the process of integrating warehouse inventory with store inventory for its in-house brands as well as other brands to provide customers a seamless online-to-offline experience and boost sales, he said.

Analysts say Myntra's three-year-old private label business has been growing strongly and accounts for about a fourth of its overall revenue.

Source: fibre2fashion.com- June 18, 2018

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