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IBTEX No. 259 of 2018 December 20, 2018

USD 70.51| EUR 80.24 | GBP 89.02 | JPY 0.63

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
21053	44000	**77.86**

Domestic Futures Price (Ex. Gin), December

Rs./Bale	Rs./Candy	USD Cent/lb
21560	45060	**79.74**

International Futures Price

NY ICE USD Cents/lb (March 2019)	76.71
ZCE Cotton: Yuan/MT (May 2019)	15,190
ZCE Cotton: USD Cents/lb	**99.86**
Cotlook A Index – Physical	**86.05**

Cotton Guide: Yesterday, the picture was completely bearish. The charts were almost completely red last evening post 6 pm. ICE March dropped by a huge (-114) points settling at 76.71 cents/lb. The ICE December trading range was in the price band of 78.03 and 76.63. ICE May contract settled with (-103) at 78.01, whereas ICE July settled (-95) at 79.13 cents/lb.

This is the third consecutive day where we have seen incessant negative settlement figures for March and other nearby contracts displaying a short term bearish trend. ICE is gradually attempting to meet the target price of 75 or 75.50 soon in the near future.

The Domestic MCX contracts displayed mild declines as compared to previous close figures. The December contract settled by (-30) at 21560 Rs/Bale. January, February and March contracts emanated similar mild declines of (-40), (-50) and (-50) at 21800, 22030 and 22300 Rs/Bale.

The average prices of Shankar 6 today are around 44,000 Rs/Candy. Whereas Punjab J-34 changed hands at 4,380 Rs/Maund. Arrival figures are estimated at 177,000 lint equivalent bales (source cotlook). Cotlook index A was further adjusted into lower figures of 86.05 i.e. (-0.75).

The two day FOMC meeting resulted in lifting the interest rate by a quarter percent in line with market expectations. Commodities as a whole tend to move lower when interest rates rise. With this rise in interest rates, USD will strengthen making US exports expensive. This will affect the purchasing patterns of the Indian mills who have shown good demand for US cotton. Also, it will become expensive for China to purchase US Agricultural goods, thus hurting the Chinese economy which has already showed signs of a slowdown.

On the Technical front, ICE March futures is trading near the crucial support at 76.50, after breaching 77.20 mark in yesterday. However only a close below 76.50 could bring renewed selling pressure in the March futures towards next supports at 75.50-75.00 zones. Meanwhile immediate resistance exists around 78.50 and 80.20. RSI in daily charts as trading below 40, suggests a phase of weakness to persist for the coming 1 or 2 trading sessions. In the domestic markets trading range for Dec future will be 21300-21750 Rs/Bale.

Currency Guide

Indian rupee has opened 0.3% lower in early trades today to trade near 70.57 levels against the US dollar. Putting pressure on rupee is rebound in US Dollar after US Fed raised its rates by 25 basis points and signaled further hikes in 2019. The US central bank trimmed its projection for 2019 rate hikes to two from prior projection of three but fell short of markets expectation that were hoping for a pause.

Rupee may also come under pressure tracking weakness in equity market amid continuing tightening by Fed and global growth worries. The downside may however be capped amid weakness in crude oil prices along with liquidity boosting by RBI. For the day we expect USDINR to trade in a range of 70.2 - 70.9 with bias being sideways to positive.

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

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	What the Tariff-Fueled Exodus from China Means for Apparel
2	US-China Trade War of Words Aired at WTO Review
3	Brexit to impact global economy slowly but surely
4	China to host Yarn Expo in March
5	European Commission Restricts Four More Hazardous Substances From Clothing
6	Year 2019 to be positive for US retail
7	Taiwan companies scoring in smart textiles segment
8	EDB promotes Sri Lankan apparel in France
9	Indonesia signs trade deal with 4 European countries
10	Malaysian clothing imports up 425 per cent
11	Rise of Bangladesh: An economic success story
12	Pakistan: Trading falters on cotton market
13	Industrial production increases by 13.5 pct in Tajikistan

NATIONAL NEWS	
1	India's textile and apparel exports jump by 14% in November
2	India's Global Textiles Sector Exploring New Ways Forward
3	India's growth very solid, government should heed RBI's message: IMF
4	NITI Aayog releases strategy for new India, aims to accelerate growth to 8%
5	Gujarat companies eye Uzbekistan

INTERNATIONAL NEWS

What the Tariff-Fueled Exodus from China Means for Apparel

The apparel industry got a little breathing room in early December, when the Administration announced it had reached a truce in the trade war with China. While not out of the woods yet, it at least gives brands and retailers more time to plan should President Trump decide to put tariffs on the remaining goods coming out of China.

On the other hand, the reprieve also means the uncertainty that has hung over the industry will continue—keeping apparel executives in their war rooms, plotting contingencies.

With each new tranche, soft goods brands and retailers have been anxiously waiting to hear if their products were spared. Though apparel and footwear have been primarily been left off thus far, there's little question that another round of tariffs would include these goods.

While the world leaders plot their next steps, others are totaling the economic impact.

If all tariffs—current and promised—go into effect, the impact of the trade war is estimated to be $915 per person in 2019 or $2,357 per household, according to a new report from ImpactEcon. It also said expect lower wages, higher joblessness. Ultimately, report authors Terrie Walmsley and Peter Minor say, "All countries, except the U.S. and China, gain from U.S. trade actions and responses and increase GDP."

Keeping options open

Two countries that stand to be winners are Vietnam and Cambodia, as brands like Vera Bradley increase production there to reduce exposure to the volatility in China.

"Like most retailers, China tariffs continue to be a concern for us," said Robert Wallstrom, president and CEO of Vera Bradley. "While companies have been given a two-month reprieve until March 1st on the increased 25 percent, we have been aggressively working to mitigate the potential impact."

Ultimately, he expects production in China to drop from 57 percent this year to 25 percent in 2019.

And the accessory company isn't alone in its exodus out of China. Searching for new production options seems to be the industry's leading solution to the Trump-Xi war.

Abercrombie & Fitch is also prepared to leverage sourcing partners in any of the 17 countries the retailer currently works in to reduce its exposure, according to CFO Scott Lipesky. The mall-based retailer said it currently imports 25 percent of its goods from China.

Todd Vogensen, Chico's CFO, said his company has already reduced production in China from more than 50 percent of goods to 40 percent or lower. Ultimately, though, Vogensen is realistic about the future, which, he said, includes China.

"We will always have a fair chunk of receipts that come out of China, just based on the nature of the types of things that are manufactured in China for the entire industry or the types of things that fit the quality that we're looking for, but [we are] continuing to mitigate that impact and diversify our overall mix," he said on the company's Q3 call.

Calculating costs

Currently, 40 percent of U.S. apparel and and 70 percent of footwear is imported from China. Should tariffs on apparel and footwear be put into place, costs will rise on the goods that continue to be produced in China. The result would be higher prices for consumers, according to Steve Lamar, executive vice president of the American Apparel and Footwear Association.

Lamar estimates that a 25 percent tariff would result in anywhere from a 15 percent to 25 percent increase in retail prices over time, a hike that would cost shoppers $500 for a family of four.

Already, brands like Carter's have said the tariffs would translate into price increases, and that along with reduced spending is what would help the children's wear powerhouse weather the impact.

Currently, Carter's sources less than 30 percent of its total units from China. Chairman and CEO Michael Casey said higher costs in the region already had the company shifting goods, and if tariffs go into effect, it will work with suppliers with operations in Vietnam, Bangladesh and Indonesia.

"That's the beauty of doing business in Asia over the past 20 years. We've developed these deep relationships with great suppliers that can handle the unit volume for our company. And we've been working with them this past year to explore other places if need be to source our product," he said in October on the company's earning's call.

GIII Apparel Group, which counts brands like Calvin Klein, DKNY, Kensie, Tommy Hilfiger and Karl Lagerfeld Paris as part of its portfolio, is already dealing with price pressure due to tariffs. The impact has been to the company's handbags and leather outerwear business, which represents approximately 7 percent of its total net sales.

In response, it too is diversifying out of China but it's also hoping the strength of its brand names means it can "selectively increase" prices.

"I've spent, alongside of the key senior executives in our company, the last few months traveling all over the world to find suitable substitutions for what we're doing in China," said chairman and CEO Morris Goldfarb, listing Indonesia, Cambodia, Vietnam and India as go-tos. "So, it was a great exercise, whether tariffs come or not, we have found competitive countries to produce in that are going to enhance our margins."

Further, Goldfarb said the company's partners in China are eager to find ways to maintain GIII's business. "All of our vendors are not sure of what the future looks like and have assured us that they will share in the problem. They do not want us to walk away, he said, adding they've offered to help the company recoup lost margins, if necessary. And he said some retailers have "agreed to share in the increases that we might impose on pricing."

Goldfarb said the industry is looking at how to handle the potential tariffs as a "partnership situation."

According to Manny Chirico, CEO and chairman of PVC Corporation, if apparel and footwear tariffs materialize, prices are going up no matter where companies shift production.

"If tariffs come, it's going to do two things. It will pressure cost and create inflation on the goods from China but we also have to be realistic," he said. "It will also create inflation globally for products coming into the United States because if Vietnam is now more in demand, there's going to be cost increases coming through as we start to place production there."

For PVH, 25 percent tariffs would total $75 million of tariff impact, he said. That number would have been significantly higher years ago. Today, PVH places about 17 percent or 18 percent of its production in China. Three years ago, it was more than 40 percent. The company, like others, had already been seeking out lower cost countries long before Trump came into office.

Chirico said while his team is actively working on sourcing, he's seeing another threat to his business related to the protracted trade war.

On PVH's earnings call in November, he noted a slowdown in traffic to its stores in China that had been on the upswing.

"What I'm concerned about is Calvin Klein and Tommy Hilfiger are two great American brands, and if there is tensions in different parts of the world about America, it's position in the world, I think in and of itself, it does create some pause," he said.

Source: sourcingjournal.com- Dec 19, 2018

HOME

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US-China Trade War of Words Aired at WTO Review

The United States and China took their trade war to the World Trade Organization (WTO) this week during a two-day U.S. trade policy review, throwing charges of unfair trade practices and protectionism at each other.

Dennis Shea, U.S. ambassador to the WTO, said, "We are committed to reforming the global trading system in ways that lead to fairer outcomes for U.S. workers and businesses, and more efficient markets for countries around the world. U.S. trade policy is driven by a pragmatic determination to secure these objectives.

Our trade policy is steadfastly focused on the national interest, including retaining and using U.S. sovereign power to act in defense of that interest," according a transcript of his remarks posted by the U.S. Trade Representative's Office.

According to Shea, the U.S. "is raising serious concerns" about the WTO's functioning and direction and the challenges posed by China's "state-led, mercantilist approach to the economy and trade."

"This is not mere chatter, nor is it unilateralist or protectionist," he told WTO members in Geneva. "The United States is taking important steps to begin to address these fundamental issues, and we are committed to working with like-minded members to do so."

The WTO dispute settlement system, Shea said, has given itself powers members of the trade organization never intended for it to have, including where panels or the Appellate Body have looked to diminish WTO rights or member obligations.

What's more, he added, "the WTO is not well equipped to handle the fundamental challenge posed by China, which continues to embrace a state-led, mercantilist approach to the economy and trade." Continuing, he said, "China pursues an array of non-market industrial policies and other unfair competitive practices aimed at promoting and supporting its domestic industries, while simultaneously restricting, taking advantage of, discriminating against, or otherwise creating disadvantages for foreign companies and their goods and services."

Things like forced technology transfer to maintaining "severe" excess industry capacity has heavily skewed the playing field in China's favor, Shea argued, noting that the country's actions are harming the U.S. as well as other WTO members. China's actions, he said, are incompatible with the market-based approach many other members have fallen in line with.

Chinese envoy Zhang Xiangchen said U.S. tariffs on steel and aluminum had allowed protectionism under the guise of questionable national security concerns, Reuters reported. On the Section 301 tariffs, Zhang said the U.S. measures brought "back to life the ghost of unilateralism that has been dormant for decades," according to Reuters.

The European Union, Japan, Switzerland and Canada also criticized Washington, with EU ambassador Mark Vanheukelen saying, "The multilateral trading system is in a deep crisis and the United States is at its epicenter," Reuters reported.

The heated exchange and trade war is related USTR's action in June when it issued a list of products covering 1,102 separate tariff lines valued at $50 billion that were subject to an additional 25 percent tariff. The WTO trade policy review report noted that the measure entered into effect on July 6, for 818 lines, covering approximately $34 billion worth of imports from China. China responded by imposing increased duties on goods imported from the U.S.

In response, USTR proposed to take further action in the form of an additional 10 percent duty on Chinese products covered in 6,031 tariff subheadings, with an annual trade value of $200 billion. An additional 25 percent tariff tranche that would include apparel and textiles imports from China has been delayed while the two countries negotiate a potential end to the trade dispute.

Shea acknowledged that "the application of our trade laws to address injurious and unfair competition has perhaps garnered the most public attention." For example, he cited the determination made in March "that the acts, policies and practices of China related to technology transfer, intellectual property and innovation covered in the investigation are unreasonable or discriminatory and burden or restrict U.S. commerce."

"Some are criticizing the United States' approach as unilateralist and protectionist," he said. "In our view, this is a serious and perhaps purposeful misread of our actions and intentions.

In the case of the Section 301 investigation, the facts demonstrating forced technology transfer were quite clear and the United States had a stark choice: either take action to protect itself against the serious, ongoing harm from China's policies and practices or accept that this harm will continue because the WTO does not provide the necessary disciplines or remedies. We would prefer being able to use the WTO, but China's trade regime increasingly is not compatible with it."

Shea defended the U.S. and Trump administration as having "one of the world's most open trade regimes that is firmly based in the rule of law and that is a powerful engine for global growth," and called out the country's position as the world's largest single-country importer.

U.S. tariffs are among the lowest in the world, he noted. The current U.S. simple average tariff is 3.4 percent on an applied basis under the WTO and 2.4 percent on a trade-weighted basis.

By comparison, simple average applied tariffs among the U.S.'s top five trading partners range from 4 percent to 9.8 percent, and trade-weighted average tariffs range from 2.5 percent to 5.2 percent, he said.

"In 2017, nearly 70 percent of all U.S. imports, including those under preference programs, entered the United States duty-free," Shea told the WTO.

The U.S. wants to work with countries that are "ready and able to negotiate free, fair and reciprocal trade agreements," Shea said pointing to actions to back the claim.

In late September, the U.S., Mexico and Canada reached an agreement to modernize the North American Free Trade Agreement, signing the U.S.-Mexico-Canada Agreement in late November, Shea noted.

That same month, the U.S. and South Korea signed final texts reflecting the outcomes of negotiations to improve the United States-Korea Free Trade Agreement. In October, USTR notified Congress that the administration intends to negotiate separate trade agreements with Japan, the EU and the U.K.

Source: sourcingjournal.com- Dec 19, 2018

HOME

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Brexit to impact global economy slowly but surely

For the last two and a half years, Brexit has consumed the entire United Kingdom. The UK's negotiations with the EU have dragged on through multiple déjà vu moments, and the consensus is that the economic fallout will be felt far more acutely in Britain than in the EU, let alone in countries elsewhere.

Still, the rest of the world is facing profound challenges of its own. Political and economic systems are undergoing far-reaching structural changes, many of them driven by technology, trade, climate change, high inequality, and mounting political anger. In addressing these issues, policymakers around the world would do well to heed the lessons of the UK's Brexit experience.

No immediate repercussions

When Britian decided to leave the EU, experts predicted that the UK economy would suffer an immediate and significant fall in output following the 2016 referendum. However, Brexit was different. There was no immediate break in British-EU trade. In the absence of clarity on what type of Brexit would ultimately materialise, the economic relationship simply continued "as is," and an immediate disruption was averted.

The question therefore, is not whether the UK will face a considerable economic reckoning, but when. The UK economy isBrexit to impact global economy slowly but surely 001 already experiencing slow-moving structural change.

Foreign investment is falling contributing to the economy's disappointing level of investment overall. Moreover, this trend is accentuating the challenges associated with weak productivity growth.

Maintaining global norms difficult

Companies with UK-based operations have also begun to trigger their Brexit contingency plans after a prolonged period of waiting, planning, and more waiting. In addition to shifting investments out of the UK, firms will also start to relocate jobs. And this process is likely to accelerate even if British Prime Minister Theresa May manages to get her proposed exit deal through Parliament.

The Brexit process thus provides a preview of what awaits an increasingly fractured global economy if this continues: In this context, costly self-insurance will replace some of the current system's pooled-insurance mechanisms.

And it will be much harder to maintain global norms and standards, let alone pursue international policy harmonisation and coordination. Tax and regulatory arbitrage are likely to become increasingly common as well.

And economic policymaking will become a tool for addressing national security concerns (real or imagined). How this approach will affect existing geopolitical and military arrangements remains to be seen.

Uncertain outlook for liquidity growth

Lastly, there will also be a change in how countries seek to structure their economies. In the past, Britain and other countries prided themselves as "small open economies" that could leverage their domestic advantages through shrewd and efficient links with Europe and the rest of the world.

But now, being a large and relatively closed economy might start to seem more attractive. And for countries that do not have that option—such as smaller economies in East Asia—tightly knit regional blocs might provide a serviceable alternative.

Brexit holds important lessons for and about the global economy. We live in an era of considerable technological and political fluidity. The outlooks for growth and liquidity will likely become even more uncertain and divergent than they already are.

Source: fashionatingworld.com- Dec 19, 2018

HOME

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China to host Yarn Expo in March

Yarn Expo will take place in China from March 12 to 14, 2019. This is a fair for exhibitors to establish their brands, introduce their latest products, and reveal new innovations to their targeted audience.

The fair responds to visitor interest by presenting an array of high-quality exhibitors from a variety of countries and regions, including China, Egypt, France, Hong Kong, India, Indonesia, Korea, Pakistan, Singapore, Turkey, Uzbekistan and Vietnam.

Yarn Expo is recognised for its diversity of suppliers, meaning that visitors can do all of their sourcing needs in one place.

With more industry buyers sourcing synthetic, fancy and specialty yarns and chemical fibers, the Fancy Yarn Zone will feature almost 50 prominent yarn suppliers from all around the world.

Countries such as Egypt, India, Turkey and Vietnam will present high-quality natural yarns and fibers, including high-end European linen and cotton, as well as an array of eco-fibers and carbon fibers for visitors seeking sustainable, light-weight materials.

Following a year of fluctuating demands and trends in the textile industry, especially in China and the Asia-Pacific region, it's more important than ever for suppliers to continuously innovate and produce strong products in order to survive in the uncertainty of the recent economic climate.

Source: fashionatingworld.com- Dec 19, 2018

HOME

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European Commission Restricts Four More Hazardous Substances From Clothing

The European Commission (EC) has moved to restrict the use of four phthalates–substances known to have toxic effects on human reproductive health–in consumer products such as coated fabrics and sport equipment.

These come on top of 33 hazardous substances in clothing, footwear and other textile articles the EC restricted in October. The restriction decision was adopted by amending the EU's REACH regulation that has already significantly reduced exposure to harmful chemicals over the last 10 years.

The Commission said it constantly evaluates how to enhance protection of consumers, workers and the environment. The EC said in its notice that substances including the four phthalates can be present in plasticized materials in a variety of everyday products.

Consumers can be exposed to phthalates through oral or skin exposure or by breathing dust particles with such substances. The new ruling complements existing restrictions on three phthalates in toys and other childcare articles.

The restriction follows the scientific and technical recommendations of the European Chemicals Agency. It will come into effect as of June 2020.

The chemicals come under the carcinogenic, mutagenic or toxic for reproduction (CMR) category, and are known to cause cancer and reproductive health problems. The substances include formaldehyde, heavy metals and benzenes, which can sometimes be used as an ingredient in textile coatings or through the production process.

A recent survey of 32 major companies from across the textile and leather supply chain, found most in agreement that there is a case for removing hazardous chemicals and that the benefits of implementing a manufacturing restricted substance list (MRSL) outweigh the costs.

This opinion was especially strong among companies that had already adopted an MRSL in collaboration with ZDHC, (zero discharge of hazardous chemicals).

In the survey and resultant report, conducted with PwC, a number of respondents suggest that costs and benefits relating to sustainable chemicals management are not being monitored in their organizations. They said quantification would require significant effort involving many departments of their companies.

ZDHC noted that the use of chemicals in the fashion industry's supply chain has a significant impact on the environment. The fashion industry, with an estimated value of $1.3 trillion and employing more than 300 million people along the value chain, is fragmented, with many different process steps and stakeholders involved in creating a fashion item. Each of these steps is associated with an external impact on the environment and by extension on society, the report noted.

Source: sourcingjournal.com- Dec 19, 2018

HOME

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Year 2019 to be positive for US retail

American apparel companies are benefiting from retail revival, as well as from cost savings initiatives and acquisition synergies. The positive outlook for the US retail industry reflects increasing topline growth and operating profits, as companies' investments in e-commerce and in-store shopping experience continue to gain traction. Growth is also getting a boost from a strong macro-economic environment, which will drive consumer spending.

Retail operating income is expected to grow five per cent to six per cent in 2019. Sales growth is predicted to range from 4.5 per cent to 5.5 per cent. Reduced inventories and improved lead times have helped stabilize merchandise margins. Air freight demand has slowed as companies have increased lead times on import orders, allowing them to opt for cheaper ocean cargo.

Operating income for discounters and warehouse retailers is forecast to increase about 2.4 per cent in 2019 after a strong gain in 2018. Among apparel firms, nearly all rated companies will show some form of profit growth in 2019, with the majority exceeding six per cent growth. More companies are seeing the benefits of cost-saving initiatives, acquisition synergies, restructurings, reduced inventory and clearance activity.

Source: fashionatingworld.com- Dec 19, 2018

HOME

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Taiwan companies scoring in smart textiles segment

Taiwanese manufacturers are developing smart textiles, incorporating devices for temperature control, heart monitoring or position finding. Taiwan is one of the world's top producers of functional textiles.

In order to sustain the nation's position, producers are investing in modern equipment and innovations, new capacities as well as research and development.

Textile producers in Taiwan are investing in Vietnam. Far Eastern New Century (FENC), the largest textile producer in Taiwan, has enlarged its facilities for PET (polyethylene terephthalate) and terephthalic acid (PTA) needed for the production of synthetic fibers.

In Taiwan where FENC has been producing spun bonded fabrics made of polyester in a joint venture with the German company Freudenberg for the Asian market since 1987 the company is increasing its capacities as well.

FENC bought two new plants from a US enterprise thus reducing the risk of potential trade restrictions and improving the chances to benefit from free trade agreements.

Textile companies based in Taiwan are often family operated and it is in Taiwan that purchasing and marketing decisions and research and development decisions are made.

Demand for functional garments has risen in the sports, leisure and shoe industries. Other sectors like the automotive and medical sectors as well as construction materials and agricultural means have also recorded an increased use.

Source: fashionatingworld.com- Dec 19, 2018

HOME

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EDB promotes Sri Lankan apparel in France

Sri Lanka's Export Development Board (EDB) recently organised an apparel promotion program in collaboration with the Sri Lankan embassy in France at the Apparel Sourcing Paris 2018 Fair for the second consecutive year.

EDB promoted a new sector, 'Sri Lanka fashion designing', by promoting three fashion designers at the Sri Lanka catwalk held in parallel.

The objective of participating in the show was to promote Sri Lanka apparel and other products, and to regain the lost opportunities and increase exports to the EU, through generalised system of preferences plus (GSP+), according to Sri Lankan media reports.

Six Sri Lankan companies and two designers participated in the fair. Screenline Holdings (Pvt) Ltd, JIA Moda (Pvt) Ltd., Stylish Garments (Pvt) Ltd., Bernard Botheju Industries (Pvt) Ltd, EL Holdings (Pvt) Ltd, Kuga Holdings (Pvt) Ltd and designers Ajai Vir Singh and Darshi Keerthisena showcased their products at the show.

An order worth $800,000 is in the process of being finalised, an EDB spokesman said. Following Sri Lanka's participation in the fair last year, a buyer from Spain visited Sri Lanka and placed orders to the value of US $ 200,000 for three Spanish brands, the report added.

Source: fibre2fashion.com- Dec 20, 2018

HOME

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Indonesia signs trade deal with 4 European countries

Indonesia recently completed talks for the Comprehensive Indonesia-European Free Trade Association (EFTA) Comprehensive Economic Partnership Agreement (IE-CEPA), which will be signed this month, the country's trade minister Enggartiasto Lukita said in Geneva.

Negotiations for the pact with EFTA members Switzerland, Liechtenstein, Norway and Iceland took seven years.

Indonesia will benefit from better access to export products like coffee, palm oil, fisheries, textile and furniture, an Indonesian newspaper reported quoting the minister's statement.

EFTA members will gain access to investment in Indonesia, including in the energy and mining sectors.

In 2017, Indonesia-EFTA trade was worth $2.4 billion, with Indonesia having a trade surplus of $212 million.

Source: fibre2fashion.com - Dec 19, 2018

HOME

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Malaysian clothing imports up 425 per cent

Malaysian clothing imports surged by 425 per cent in the seven years to 2017. Further import growth is likely as a result of increases in clothing sales in the domestic market -- in line with rising personal disposable incomes--as the government moves towards its goal of achieving high income status by 2020.

Another factor which is likely to contribute to growth in clothing industry is the age profile of the population which is young. The young tend to be much more fashion conscious than their elders and spend more money on clothing. One of the reasons for the surge in imports in recent years is the fact that clothing production has been rising at a much slower pace. This reflects a number of factors, including rising production costs, a general lack of skilled personnel, a high dependency on imported raw materials and, not least, competition from lower cost suppliers--especially those based in low cost producing countries in Asia. Exports have also been growing at a slower pace.

Further significant rise in clothing imports would provide opportunities for several of Malaysia's key supplying countries. Among these are Cambodia, Indonesia, Thailand and Vietnam, which benefit from free trade with Malaysia through membership of the Association of Southeast Asian Nations (Asean).

Source: fashionatingworld.com- Dec 19, 2018

HOME

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Rise of Bangladesh: An economic success story

Per capita income has risen nearly threefold since 2009, reaching $1,750 this year

Bangladesh has been marred by tragedy including: the 1971 Liberation War, poverty, natural disasters—and now—one of the world's largest refugee crises after receiving an influx of 750,000 Rohingya Muslims who fled persecution in neighboring Myanmar.

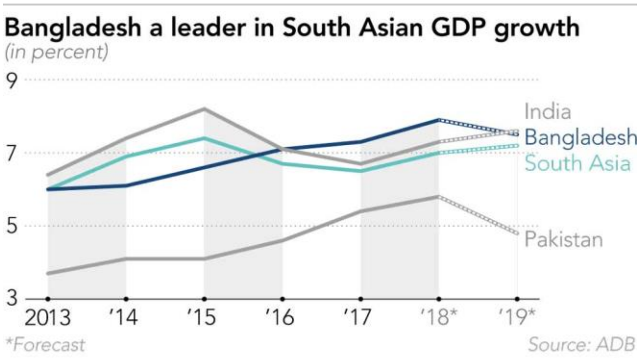
However, with remarkably little international attention, Bangladesh has also become one of the world's economic success stories.

Aided by a fast-growing manufacturing sector—its garment industry is second only to China's—Bangladesh's economy has averaged above 6% annual growth for nearly a decade; reaching 7.86% in the year through June, reports Nikkei Asian Review.

From mass starvation in 1974, the country has achieved near self-sufficiency in food production for its more than 166 million people. Per capita income has risen nearly threefold since 2009, reaching $1,750 this year.

Meanwhile, the number of people living in extreme poverty—classified as under $1.25 per day—has shrunk from about 19% of the population, to less than 9%, over the same period, according to the World Bank.

‘Developing economy’



Earlier this year, Bangladesh celebrated a pivotal moment when it met United Nations criteria to graduate from "least developed country" status by 2024. Prime Minister Sheikh Hasina considers the elevation of status to "developing economy" a significant boost to the nation's self-image.

Bangladesh's economic performance has even exceeded government targets on many fronts.

With a national strategy focused on manufacturing—dominated by the garment industry—the country has seen exports soar by an average annual rate of 15-17% in recent years; reaching a record $36.7 billion in the year through June.

This sector is on track to meet the government's goal of $39 billion in 2019, and Prime Minister Sheikh Hasina has urged industry to reach a $50 billion valuation by 2021; to mark the 50th anniversary of the Liberation War, said the Nikkei Asian Review report.

A vast community of about 2.5 million Bangladeshi overseas workers further buoys the economy with remittances that jumped an annual 18% to top $15 billion in 2018. However, Hasina also knows the country needs to move up the industrial value chain.

Political and business leaders echo her ambitions to shift from the old model of operating as a low-cost manufacturing hub partly dependent on remittances and international aid.

'Digital Bangladesh'

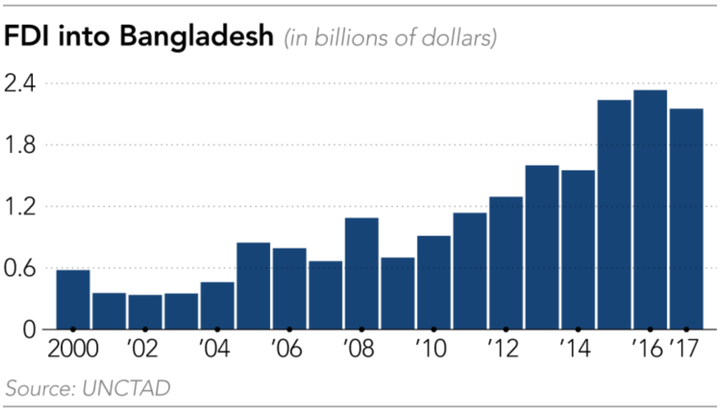
Sheikh Hasina launched a "Digital Bangladesh" strategy in 2009 backed by generous incentives.

Now, Dhaka, the nation's capital, is home to a small but growing technology sector led by CEOs who talk boldly about "leapfrogging" neighboring India in IT. Pharmaceutical manufacturing—another Indian staple—is also on the rise.

The government is now implementing an ambitious scheme to build a network of 100 special economic zones around the country; 11 of them have been completed while 79 are under construction.

Tailored industrial policy

The ready-made garment industry is a key factor in the country's phenomenal success story. The industry is the country's largest employer, providing about 4.5 million jobs, and accounted for nearly 80% of Bangladesh's total merchandise exports in 2018.



It has undergone seismic changes since the watershed Rana Plaza disaster in 2013, when a multi-story garment factory complex collapsed, killing more than 1,130 workers. In the aftermath, the industry was forced by international apparel brands to implement sweeping reforms; including factory upgrades, inspections, and improved worker conditions. Further investment is needed if Bangladesh's garment industry is to remain competitive.

Bangladesh's textile industry could benefit if China's garment exports are hit by a prolonged US-China trade war. However, other garment centers are also taking aim at a vulnerable China, including: Vietnam, Turkey, Myanmar, and Ethiopia.

Intensifying international competition has already sparked consolidation in Bangladesh's garment industry, reducing the number of factories by 22% in the last five years to 4,560, according to the BGMEA.

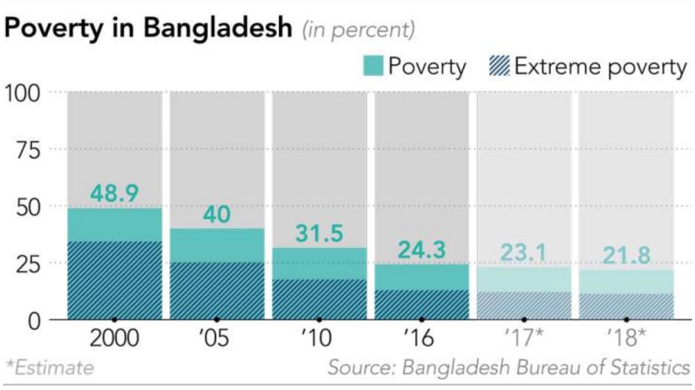
The government has moved to streamline the investment process with the creation of a "one-stop" investor service intended to replicate similar services in Singapore and Vietnam. This has yet to gain momentum.

More successful is Sheikh Hasina's digital push. With her son, a US-educated tech expert, as a key adviser, the program has introduced generous tax breaks for the information and communications technology sector; and a sweeping scheme to build 12 high-tech parks across the country.

Bangladesh's exports of software and IT services reached nearly $800 million in the year, till June 30, and are on track to exceed $1 billion this fiscal year. There have been outstanding homegrown tech successes, such as the ride-sharing service Pathao, which received a $2 million investment from Indonesian unicorn Go-Jek, and mobile financial services group bKash, in which Alipay—an arm of China's Alibaba Group Holding—took a 20% stake in April.

What about pharmaceuticals?

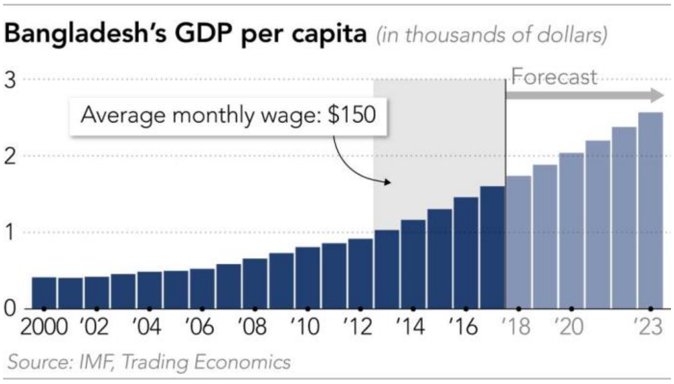
Bangladesh is hoping to challenge India in pharmaceuticals, too. With its "least developed country" status, the country has enjoyed a waiver on drug patents.



This has fueled intensifying competition between India and Bangladesh in the field of generic and bulk drugs. Among local star performers are Incepta Pharmaceuticals, Bangladesh's second-largest generics maker, which exports to about 60 countries, and Popular Pharmaceuticals, which is eyeing an eventual listing.

One of Bangladesh's competitive disadvantages is its poor infrastructure, and the country has turned to China for help.

Under its Belt and Road Initiative, China has financed various megaprojects in Bangladesh, including most of the nearly $4 billion Padma Bridge rail link, which will connect the country's southwest with the northern and eastern regions. In all, China has committed $38 billion in loans, aid, and other assistance for Bangladesh.



China's heavy infrastructure investment has drawn criticism of its "debt diplomacy" in other countries, including Pakistan and Sri Lanka. However, local economists dismiss such concerns.

Chinese investors also bought 25% of the Dhaka Stock Exchange in 2018, and Bangladesh is now the second-largest importer of Chinese military hardware after Pakistan.

While some may question so much investment from Beijing, Sheikh Hasina said it is simply a fact that China is set to play a bigger role in the region.

Bitter political rivalry

Behind the impressive numbers and bold ambitions, however, are daunting hurdles ranging from structural problems to deep political divisions, which have come to the fore ahead of national elections on December 30.

Bangladeshi politics have been dominated for years by the bitter rivalry between Prime Minister Sheikh Hasina and former Prime Minister Khaleda Zia. Both women have been in and out of power—and prison—over the past three decades.

Khaleda Zia, who chairs the opposition BNP, is in jail on corruption charges that she says are false.

Since 1981, Sheikh Hasina has led the ruling Awami League, founded by her father, Sheikh Mujibur Rahman—the country's first president—who was killed by army personnel along with most of his family in 1975.

The party enjoyed strong support in some past elections. However, opposition activists and human rights groups have voiced concern about potential polling fraud and intimidation tactics.

After two consecutive five-year terms for the ruling party, analysts point to a palpable "anti-incumbency" sentiment among some voters. Yet from an economic standpoint, many agree that a ruling party victory would support further development.

Business seems largely on the ruling party's side—if only for stability's sake.

Source: dhakatribune.com- Dec 19, 2018

HOME

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Pakistan: Trading falters on cotton market

Buyers withdrew to the sidelines on Wednesday and only needy spinners were seen in the trading ring. Though the price line remained firm, the outlook remained uncertain.

As the availability of quality cotton is becoming difficult with each passing day, leading textile spinners are also losing interest in local lint and seem to be more inclined towards imported cotton, brokers said.

The market has welcomed the government's proposal to remove Customs Duty on cotton imports in next Economic Coordination Committee meeting.

The Pakistan Central Cotton Committee (PCCC) will revert from Ministry of Food to the Textile Division and there will be no imposition of duty on cotton even next year.

The Karachi Cotton Association (KCA) spot rates were firm at overnight level of Rs8,800 per maund.

The world leading cotton markets also remained depressed with restricted demand and most of these markets closed easy.

The following deals were reported to have changed hands on ready counter: 200 bales, station Shahdadpur, at Rs8,200; 200 bales, Sanghar, at Rs8,200-8,400; 800 bales, Khairpur Mirus, at Rs8,450-8,500; 600 bales, Noorpur Nooranga, at Rs8,900; 800 bales, Fort Abbas, at Rs8,350; 400 bales, Chishtian, at Rs7,800; 200 bales, Bahawalnagar, at Rs7,800; and 400 bales, Pir Mehal, at Rs7,000.

Source: dawn.com- Dec 20, 2018

HOME

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Industrial production increases by 13.5 pct in Tajikistan

The volume of industrial production in Tajikistan in January-November 2018 amounted to 21.5 billion somoni (more than $ 2.2 billion), which is 13.5 percent more compared to the same period last year, Tajik media reported.

Meanwhile, there is no information about unrealized goods lying in warehouses or idle enterprises on the official websites of the relevant departments of the country's economic bloc.

In the export of industrial goods, raw materials mainly prevail. This list may include cotton fiber, aluminum, raw skin, leather and other manufactured goods.

For example, the amount of exports of textile materials and products from them since the beginning of this year amounted to more than $ 205.8 million. About $ 150 million of this amount is the revenue from the sale of cotton fiber.

The export of textile products is dominated by yarn and harsh fabric. At the same time, the amount of imports of textile materials and products from them for this period amounted to more than $ 55.2 million. However, imports of finished textile products are carried out with high added value.

This sector of the economy has a long tradition, the origins of which date back to the heyday of the Great Silk Road.

In the middle of the last century, a complete production cycle was organized, including the production of raw materials, spinning, fabric manufacturing, and the manufacture of garments and carpets.

The main products are fabrics and garments made from them, denim pants, shorts, textiles, carpet and leather products. The country has a full value chain, starting with the production of raw materials to the production of finished products.

The sector has modern enterprises for sewing clothes, shoes. The government considers this sector a priority industry. It is planned to increase the export potential on the basis of the modernization of production, stimulating the creation of new enterprises.

Tajikistan is also successfully implementing the International Trade Center (ITC) program, aimed at supporting the development of the textile and clothing industry and improving the quality management infrastructure.

The International Trade Centre, supported by the Government of Switzerland, aims to increase the export competitiveness of the Tajik textile and clothing sector by supporting sector companies, and relevant trade support institutions from both public and private sectors.

Source: menafn.com- Dec 19, 2018

HOME

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NATIONAL NEWS

India's textile and apparel exports jump by 14% in November

In dollar term, however, India's textiles and apparel exports recorded a mere 2 per cent jump to $2.64 billion for November 2018 versus 2.57 billion for the same month last year

After a staggering 38 per cent jump in October, India’s textile and apparel exports growth moderated to 14 per cent in November due to a sharp volatility in the rupee against the dollar.

Data compiled by the Union Ministry of Textiles showed India’s textile and apparel exports at Rs 189.65 billion for the month of November 2018 compared to Rs 167.07 billion in the corresponding month last year. For the period between April and November, however, total textile and apparel exports witnessed a growth of 7 per cent to Rs 1600.10 billion for 2018 versus Rs 1492.54 billion in the same period last year.

FIRM EARNINGS OUTLOOK

in ₹bn	FY18	FY19E	FY20E
Net sales	**81.4**	**98.9**	**117.4**
% change y-o-y	32.7	21.5	18.7
Ebidta	**10.5**	**12.9**	**15.9**
Ebidta (%)	12.9	13.1	13.6
Net profit*	**7.1**	**8.6**	**10.8**
% change y-o-y	17.4	23.4	24.8

E-Estimates, * y-o-y growth adjusted for one-offs
Source: Edelweiss Research

In dollar term, however, India’s textiles and apparel exports recorded a mere 2 per cent jump to $2.64 billion for November 2018 versus 2.57 billion for the same month last year. For the period between April and November, however, total textile and apparel exports remained flat at $23.18 billion.

“This is the normal growth in textile and apparel sector,” said Sanjay Jain, Chairman, Confederation of Indian Textile Industry (CITI) by adding, “This growth momentum would continue for the rest of the months in 2018-19.”

Interestingly, textile exports jumped by 9 per cent to Rs 108.53 billion for November 2018 from Rs 99.87 billion for the same month last year. Apparel exports also followed suit and jumped by 21 per cent to Rs 81.12 billion in November 2018 from Rs 67.20 billion in the same month last year.

"The old duty drawback rate was very attractive which came to an end in September 2017. Because of this attractive scheme, Indian exporters advanced their delivery schedules to avail the benefit of duty drawback scheme.

Consequently, textile and apparel exports skyrocketed in September 2017 which set the high base for coming months. Therefore, their export one year later in September 2018 declined sharply. From that level, however, exports are normalizing which we believe would continue in future as well to end the current financial year flat," said Rahul Mehta, President, Clothing Manufacturers' Association of India (CMAI).

Echoing similar response, S Rajagopal, Executive Director, Cotton Textile Export Promotion Council (Texprocil), said that Indian textile and apparel are going to all countries including China.

"The recovery in the US economy has given a boost to India's textile and apparel exports. Since, the US economy is on continuous growth path, we expect India's textile and apparel export growth to continue," said Rajagopal.

Meanwhile, the government of Bangladesh has approved 25 per cent increase in wages for its labour which will escalate cost of textile and apparel production higher there. Also, exports from Vietnam are also gradually achieving saturation.

"All these will would benefit textile and apparel exports from India in future," said Rajagopal.

India registered a growth of 5.37 per cent in textile and apparel exports in 2017, reaching a level of $37.44 billion. India's share in world trade in textile and clothing during this year is estimated to be 4.95 per cent.

sWith these exports, India is ranked second amongst the suppliers in the world. However, its exports are 1/7th of the level of exports from China.

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

HOME

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India's Global Textiles Sector Exploring New Ways Forward

Continued innovation and training of a skilled labor force are necessary for India's global textiles sector to move forward.

Those were the key messages from a mega textile event organized by the Textile Association of India's South India Unit in Coimbatore on December 15-16. The event was attended by some 600 delegates from the textile industry, most of whom were technicians and engineers who exhibited keen interest to learn new developments in the industry.

The conference was organized in Coimbatore after 25 years as a way to boost confidence among the textile industry stakeholders stated Mr. K. Gandhiraj, Honorary Secretary of the South India Unit of Textile Association, India.

In the face of threats from the IT sector in attracting highly qualified engineers, a message of optimism was provided to the attendees and next generation workforce.

The textile industry needs a qualified and skilled workforce to help innovate new technologies and products, stated industry leaders who participated in the event.

In addition to competing sectors, competition from low wage countries was also felt by delegates who attended the event.

The sharing of timely and relevant information, including growth prospects, is much needed, stated Mr. R. Seenivasahan, Vice President (Technical) of Sri Kannapiran Mills Ltd. Mr. S. Sivakumar, Executive Director of Sabari Textiles, Pvt. Ltd., added that quality and productivity have to be improved to make India's industry competitive with the high productivity from developing nations. These facts were confirmed by Mr. E. Mounagurusamy, Coimbatore-based industry veteran, who has been in the textile industry for 50 years.

Improving training, maintaining standard procedures substantiated by documentation and diversification of the textiles sector were key points discussed in the two-day event.

An interesting aspect of the conference was a debate on the usage of the term "technical textiles." A simple and new classification was suggested for non-commodity industrial textiles, grouping them as 1) consumer products, 2) institutional products and 3) government-regulated products such as defense textiles.

The Textile Association of India has about 23,000 members, who are technocrats and engineers representing various segments of the textile industry.

Source: cottongrower.com - Dec 19, 2018

HOME

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India's growth very solid, government should heed RBI's message: IMF

It is important for the Indian on financial stability, IMF's Chief Economist Maurice Obstfeld said, amid reports of friction between the central bank and the finance ministry.

Addressing a group of journalists here, he also said the want politicians "manipulating" central banks for political ends.

"There is debate over whether it's better for financial stability to be the remit of the central bank or an independent regulator...The UK in 1997, split them, then put them back together again. I'm not going to take a position on that...But I think...The central bank does have to be intimately concerned with financial stability to some degree and with the payment system," he said, responding to a specific question on the recent developments in India regarding the RBI and the government.

"We need to think about what is the best institutional framework in which financial policy can be set with regard to long-term stability of the economy, not just to performance over political horizon," Obstfeld said.

"Well, I think they (the RBI and the Indian government) have reached an agreement on how to proceed. I think their (RBI) message that financial stability is important is correct. And it is important for the government to heed that," he added.

Responding to a series of questions on the attempt in certain countries like the US, India, Argentina and Turkey to curb independence of central banks, Obstfeld said central banks' role as a financial regulator is critical.

Central banks have "much greater power than you thought". They are fundamentally involved in financial stability policy, in fiscal policy, he said.

Obstfeld said if one looks at the record, the decisions taken by central banks worldwide did stabilise the economy by avoiding much worse losses in output and employment.

However, at the same time, he said, their moves also raised questions of transparency and accountability.

"So, it's not a shock that people raise these questions and it does create a challenge for central banks to be more transparent and to communicate more effectively with a broader public about what they are about and what they are doing," Obstfeld said.

If the central bank cannot communicate more effectively about what it is doing, then there is a possibility of political manipulation where politicians attack the central bank and undermine it, he said.

"Clearly, we don't want politicians manipulating the central bank for political ends," Obstfeld added.

After serving as IMF's chief economist for more than three years, 66-year-old Obstfeld is set to retire this month-end and will return to the University of California, Berkley. Gita Gopinath, Indian American economist from the Harvard University, would replace him from the first week of January.

India's growth has been "very solid" over the past four years, IMF's chief economist Maurice Obstfeld added, praising the fundamental economic reforms like the GST and the Insolvency and Bankruptcy Code carried out by the government.

"India under the government of Prime Minister Narendra Modi has carried out some really fundamental reforms. These include the Goods and Services Tax (GST), the Insolvency and Bankruptcy Code…A lot of what they have done on financial inclusion has been really important," Obstfeld told a group of journalists here.

He said one risk that has become much more evident in the last few years has been non-bank finance, usually called shadow banking.

"There is a big challenge of stricter, oversight," the economist said.

Noting that there has long been a legacy of corporate debt associated with bad infrastructure projects in India, Obstfeld said it has been very concentrated in banking system.

"But as the government is trying to better oversee the banking system, these loans have migrated to shadow banking and that is an area where more needs to be done to contain financial pressures, which we are beginning to see in India," he said.

Source: flintweekly.com - Dec 19, 2018

HOME

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NITI Aayog releases strategy for new India, aims to accelerate growth to 8%

According to the NITI Aayog's strategy, the government aims to increase tax-to-GDP ratio to 22 per cent

Finance Minister Arun Jaitley on Wednesday released the NITI Aayog's strategy for New India, a paper envisaging goals for the country in the 75th year of its Independence in 2022. "We stand in an important era in Indian history where we can make up for lost opportunities," Jaitley said. He, however, acknowledged that "economic reforms since 1991 have yielded dividends".

The emphasis on reforms needed to be accompanied by social consciousness, said Jaitley.

According to the NITI Aayog strategy paper, the government aims to increase India's tax-to-GDP ratio to 22 per cent and accelerate economic growth rate to 8 per cent.

The central government headed by Prime Minister Narendra Modi, according to the strategy paper, is aiming to set up an independent regulator for Indian Railways.

In 2022, India celebrates the 75th anniversary of its Independence. By then, the government's target is to make India a $4-trillion economy.

Modi had earlier given a clarion call for establishing a New India by 2022. On Tuesday, NITI Aayog CEO Amitabh Kant had said achieving a double-digit growth rate in the manufacturing sector on a sustainable basis was a "doable challenge" but the country needed to integrate with global markets for that.

At the release of the strategy paper, in an apparent attack on the Opposition, Jaitley said sound policy, not slogans would help in alleviating poverty and fulfilling the aspirations of people.

Highlights of the document:

- 'Strategy for New India @ 75' identified 41 different areas that require either a sharper focus on implementing the flagship schemes already in place or a new design and initiative to achieve goals.
- Each chapter summarizes the current status of the sector, takes cognizance of the progress made thus far and spells out the objectives.
- NITI Aayog has pitched for completing labour reforms, increasing participation of women workers, implementing minimum wage, improving employment data collection and broadening social security in its 'Strategy for New India @75' document.
- The Aayog also made a case for easing industrial relations to encourage formalisation, saying there should be increase in severance pay, in line with global best practices.
- It also asked for overhauling the labour dispute resolution system to resolve disputes quickly, fairly and at low cost and strengthening labour courts/tribunals for timely dispute resolution.
- Calling for enhancing skills and apprenticeships, the Aayog said the Labour Market Information System (LMIS) is important for identifying skill shortages, training needs and employment created.

- It said LMIS should be made functional urgently and government should ensure the wider use of apprenticeship programmes by all enterprises which may require an enhancement of the stipend amount paid by the government.
- On labour law reforms, it has suggested completing the codification of labour laws at the earliest and pitched for simplification and modification of labour laws applicable to the formal sector to introduce an optimum combination of flexibility and security.
- It said the government should make the compliance of working conditions regulations more effective and transparent and the National Policy for Domestic Workers needs to be brought in at the earliest to recognise their rights and promote better working conditions.
- About enhancing female labour force participation, it said the government should ensure employers' adherence to the recently passed Maternity Benefit (Amendment) Act, 2017, and the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act.
- It is also important to ensure implementation of these legislations in the informal sector and make sure that skills training programmes and apprenticeships include women, the document said.
- On employment data, it said that government should ensure that data collection for the Periodic Labour Force Survey (PFLS) of households initiated in April 2017 is completed as per schedule and data disseminated by 2019.
- It also asked the government to conduct an annual enterprise survey using the Goods and Service Tax Network (GSTN) as the sample frame and increase the use of administrative data, namely EPFO, ESIC and the NPS, to track regularly the state of employment while adjusting for the formalisation of the workforce.
- About wages, it said the government should make compliance with the national floor level minimum wage mandatory and expand the Minimum Wages Act, 1948, to cover all jobs, besides enforcing the payment of wages through cheque or Aadhaar-enabled payments for all.
- On social security and working conditions, it asked the government to enact a comprehensive occupational health and safety legislation based on risk assessment and employer-worker cooperation.

- It said workers' housing on site will help to improve global competitiveness of the Indian industry, along with enhancing workers' welfare.
- It also recommended enhancing occupational safety and health (OSH) in the informal sector through capacity building and targeted programmes and ensuring compulsory registration of all establishments to ensure better monitoring of occupational safety as well as recreation and sanitation facilities.
- It also made a case for enhancing transparency in the labour inspection system by allowing online complaints and putting in place a standardised and clear mechanism.
- About the constraints, it said a large share of India's workforce is employed in low productivity activities with low levels of remuneration across industry sectors, which is especially true of the informal sector where wages can be one-twentieth of those in firms producing the same goods or services but in the formal sector.
- It pointed out that a large number of workers that are engaged in the unorganised sector are not covered by labour regulations and social security. This dualistic nature of the labour market in India may be a result of the complex and large number of labour laws that make compliance very costly.
- In 2016, there were 44 labour laws under the statute of the Central government. More than 100 laws fall under the jurisdiction of state governments. The multiplicity and complexity of laws makes compliance and enforcement difficult, it said.
- It also said according to the India Skill Report 2018, only 47 per cent of those coming out of higher educational institutions are employable.

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

HOME

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Gujarat companies eye Uzbekistan

Gujarat-based companies are actively exploring investment opportunities in pharmaceuticals and textile sectors in Uzbekistan as the central Asian country offers them huge potential.

"There is huge scope for pharma manufacturing in Uzbekistan as we import 70% of pharma products from across the globe, including India," said Farhod Arziev, Uzbekistan's ambassador to India.

"We grow more than 1,000 medicinal plants, which are used in making active pharma ingredients (APIs)."

To attract investments in the pharmaceutical sector, Uzbek-Indian Free Pharmaceutical Zone is being developed in Andijan region in Uzbekistan.

This project was among the 17 agreements that were signed during the Uzbekistan president Shavkat Mirziyoyev's recent visit to India.

"Apart from providing infrastructure facilities such as roads, electricity and water supply, tax incentives will be offered to companies," added Arziev, who was in Ahmedabad to promote Uzbek-Indian free pharmaceutical zone.

In addition, the companies with manufacturing base in Uzbekistan get duty free access to other CIS countries.

"Given the heavy dependence on China for sourcing APIs, it makes economic sense to set up a plant in Uzbekistan and bring back APIs produced there to India," said Viranchi Shah, chairman, Gujarat State Board, Indian Drug Manufacturers' Association (IDMA).

"The land is free and electricity as well as labour cost is cheaper than India." A high-level delegation comprising a central government minister, officials and IDMA members visited Uzbekistan this year to assess the investment potential.

Stating that Uzbekistan is among the top cotton producing countries in the world, the ambassador said that representatives of a couple of textile companies from Gujarat have already visited Uzbekistan to explore business opportunities.

“Milk products, solar energy, jewellery and auto components are other prominent potential areas for Indian companies in Uzbekistan,” he said.

As far as Gujarat is concerned, Arziev said that Uzbekistan has also signed an agreement for direct partnership between Gujarat and Andijan region.

“Uzbekistan has become a partner country for the upcoming Vibrant Gujarat Global Summit. This for the first time a large delegation from Uzbekistan will visit the summit,” he said.

Source: timesofindia.com- Dec 20, 2018

HOME

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