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USD 66.20| EUR 81.52 | GBP 90.71 | JPY 0.62

Cotton Market (20-04-2018)

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

Rs./Bale	Rs./Candy	USD Cent/lb
19433	40650	**79.46**

Domestic Futures Price (Ex. Gin), April

Rs./Bale	Rs./Candy	USD Cent/lb
20630	43153	**84.35**

International Futures Price

NY ICE USD Cents/lb (May 2018)	82.97
ZCE Cotton: Yuan/MT (Jan 2018)	14,825
ZCE Cotton: USD Cents/lb	**91.09**
Cotlook A Index – Physical	**93.05**

Cotton guide: The week has come to an end; the both trading volume and price movements were soft. The average daily aggregate trading volumes were less than 30K contracts. So far this week price also moved in a very thin range. The July moved in the range of 82 to 84 cents. The July traded down for three days of the week and later on Thursday it moved higher to end at 82.82 cents per pound. The same counter is seen trading higher at 83.16 cents this morning on Friday up by almost half per cent from the previous close.

One of the major reasons for rise in cotton price was the better than expected USDA US weekly export sales report. The Weekly Export Report for the week ended April 12th had surprising combined net sales of 524,900 bales (upland 520,000/pima 4,900). That included cancelations of 12,200 bales.

The 3 biggest buyers were: Vietnam 181,800 bales; China 103,900 bales; and Indonesia 79,700 bales. Total 2017-18 sales have reached 15,910,900 bales, 2.22 million bales ahead of same week sales last year.

However, market failed to move much higher due to expectation of rain forecasts in Texas over the weekend. Any good rain in the region will be welcome for cotton in the US for better sowing and growth. Also post the market closed the weekly CFTC on-call sale/purchase report was released for the week ended 13th April.

It confirmed active on-call sales fixations in May, down 3,172 contracts; leaving 12,775 contracts unfixed as of last Friday. The most jolting feature of the On-Call report was the giant increase in total on-call sales, up 10,728 contracts. Without the May decrease, the July-18 through July-20 on-call sales were up 13,900 contracts for the week. Meanwhile, total on-call purchases set a new all-time high at 45,029 contracts, up 1,539 contracts. On-call purchases a year ago were 34,951 contracts.

Lastly on the price point of view, market is swinging between the same ranges of 82 to 84 cents per pound. We expect further major trigger shall determine the fresh direction. For the day we expect ICE cotton to remain positive.

On the domestic front the spot price has declined marginally to Rs. 41400 per candy ex-gin. The arrivals were steady. On the futures front the April future initially traded down and closed the session at Rs. 20630 down by Rs. 20 from the previous close. It had made an intraday low of Rs.20550 per bale. For the day we expect market may remain sideways while marginal bounce in the price could be observed. The trading range for the day should be Rs. 20500 to Rs. 20730 per bale.

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

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INTERNATIONAL NEWS

Why Free Trade, Not Tariffs, Actually Increases American Jobs

In light of President Trump's recent tariff proposals, it's worth noting why free trade has almost unanimous support among economists.

Imagine Joe in Minnesota wants to purchase bread. Suppose he can buy from Sam, who resides in Minnesota, or from Tom, who lives in Wisconsin. Sam sells his bread for $5; Tom sells his for $3. Using his common sense, Joe purchases from Tom. While Sam's bread business may lose, free trade benefits consumers like Joe, who have access to the lowest rates on the market.

But imagine instead we lived in a "protectionist" world, much like under mercantilism before the eighteenth century. Suppose the governor of Minnesota wanted to "protect" Sam's job and the broader Minnesota public by throwing a tax—tariff—on Tom's bread. The result is that Tom's loaves now cost $6 to purchase in Minnesota. While Sam's business may benefit, everyone else pays higher prices as a result.

This basic illustration offers a few lessons. First, "protectionism" not only hurts consumers and producers, who lose business as a result of artificially higher prices, but in the long run it also harms the very workers protectionist policies are intended to "protect." Sheltering inefficient work—like Sam's bread business—prevents workers like Sam from finding and developing a skill set that the economy needs.

Nor does the equation change when countries subsidize their producers to sell products abroad below cost. Such "cheating," as media and politicians often describe it, hurts only nations that cheat, as their citizens pay the subsidies via higher taxation. Meanwhile, consumers abroad reap the benefit of low prices. The only people for whom this is "unfair" are the citizens whose taxes pay for their governments' folly.

Second, like seventeenth-century mercantilists, today's anti-free traders think in zero-sum terms—that is, the belief that the wealth of one country comes at the expense of another. Before the eighteenth century it was widely believed that hoarding gold and silver would increase a nation's power relative to others'. To capture gold, nations desired a "favorable balance of trade"—that is, maximizing exports and restricting imports.

Modern anti-free traders, who have simply replaced the emphasis on gold with an emphasis on "jobs," often also stress the need for "favorable trade." As Nobel Prize-winning economist Milton Friedman explained, however, a "'favorable balance of trade' really means exporting more than we import, sending abroad goods of greater total value than the goods we get from abroad. In your private household, you would surely prefer to pay less for more rather than the other way around, yet that would be termed an 'unfavorable balance of payments' in foreign trade."

Put simply, prosperity results not from a "favorable balance of trade" or from "jobs," but from productive activity. If jobs were what mattered, we could achieve full employment tomorrow by hiring every unemployed person to dig and fill ditches, but Friedman has also exposed the mistake here, from an experience he had traveling.

While abroad, he once observed workers using shovels to build bridges. Puzzled, he asked his host why they weren't using machines. "Because," his host replied, "machines would result in fewer jobs." "Oh," retorted Friedman, "I thought you were interested in building bridges. If you want to create jobs, why not give them spoons instead of shovels?"

In a word, the protectionist concern for jobs rather than for productivity often yields slower economic growth and less overall wealth. Using spoons to build bridges makes construction take longer, meaning delayed commute time for those whom the bridge would provide shorter travel, along with greater consumption of scarce resources, including labor, which are taken from more productive alternatives in the economy.

Third, high tariffs may incite trade wars. To continue with the example above, if Wisconsin dislikes that Minnesota is "stealing" local business, it could retaliate by imposing its own tariff on Sam, which may encourage Minnesota to reciprocate, thereby launching a trade war. In fact, fear of this is at least partly responsible for recent market volatility. Our politicians would do well to consult the history books, which reveal that anti-free trade policies helped precipitate the Great Depression.

Although the stock market collapsed in 1929, according to historian Claude Barfield, the United States hadn't entered the "full onset of the Great Depression" until after the Smoot-Hawley Tariff Act of 1930. Following the initial crash, Congress and President Herbert Hoover enacted the misbegotten tariff in an attempt to protect American jobs.

The results were both predictable and predicted by economists at the time. Other countries quickly retaliated with tariffs of their own, which dumped a bucket of cold water on global trade flows, sending world economies deep into depression. As Barfield writes, the Smoot-Hawley Tariff Act "prolonged [the depression] and possibly deepened it around the world, not just in the United States but for other countries."

Unfortunately, however, lofty emotional appeals to "saving jobs" and "protecting American workers" make protectionism good politics, despite demonstrative economic and historical evidence against it. Perhaps that is why economist Thomas Sowell once observed that "The first lesson of economics is scarcity: there is never enough of anything to fully satisfy all those who want it. The first lesson of politics is to disregard the first lesson of economics." With regard to free trade, that increasingly seems to be the case.

Source: thefederalist.com- Apr 18, 2018

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USA: Tariffs on Apparel and Textiles Aren't Off the Table, at Least if NCTO Gets its Way

The volleyball game between the U.S. and China, where tariffs are the ball and businesses are the spectators, is continuing to play out.

As the Office of the United States Trade Representative (USTR) accepts public comments on the U.S.-ordered Section 301 tariffs imposed on China for its errant intellectual property practices, at least one organization has suggested apparel and textiles be added to the list of targeted tariff lines.

The National Council of Textile Organizations (NCTO) said Friday that it will take steps intended to add textile and apparel products to the current 301 retaliation list and remove the textile machinery items that already appear on the list.

In March the U.S. announced $50 billion worth of tariffs aimed at China—which would see 1,300 products face tariffs as high as 25 percent. The tariffs came as part of a Section 301 trade action, in which President Trump can impose the tariffs without approval from Congress on grounds that China's "unfair" policies on forced technology transfer and intellectual property for U.S. companies doing business there, has burdened or restricted U.S. commerce.

On the list of 1,300 currently targeted tariff lines, is much of the machinery used to make apparel and textiles, like spinning machines, knitting machines and sewing machines to name just a few. Now, however, the NCTO is looking to see textile machinery lifted from the list and replaced, instead, with textiles and apparel.

The idea is that if U.S. companies are forced to pay new tariffs on apparel imports from China, they might think twice about doing so.

Amid what's seemed like a unified fight to protect textiles and apparel from the tariffs, the move may give some pause—but according to NCTO president and CEO Auggie Tantillo, it's critical to sustaining U.S. manufacturing.

Explaining the NCTO's position, Tantillo said U.S. producers of fiber, yarn and fabric generally partner with cut and sew operators within the Western Hemisphere, which means when those finished products come back to the United States for consumption, they could be made out of U.S. yarns and apparel, which means a boon for the domestic sector.

With China, however, which has been a direct competitor for Western clothing and home furnishings, its domestic product rarely or "almost never," according to Tantillo, contains any U.S. fiber or fabric.

"An apparel manufacturer in Honduras is likely making a garment out of fabric made in North or South Carolina. They are then shipping that finished product to the U.S. market but they are having to compete directly with a Chinese garment made of Chinese yarn and fabric," Tantillo offered by way of example. “So if China dominates the U.S. market, and if they’re cheating to dominate the market, they not only hurt the Honduran company but they hurt the U.S. fiber and fabric manufacturer that’s supplying the Honduran manufacturer with textile inputs.”

That, according to Tantillo, is what’s been putting the U.S. apparel industry at a disadvantage and helping to fuel China’s rise to the most dominant global supplier of textiles and apparel.

“So it’s long overdue for a mechanism, or a set of mechanisms, to rebalance the book a little bit here,” Tantillo said. “By putting them on this retaliation list, it does force sourcing agents to look to other suppliers. Some of those suppliers may be elsewhere in Asia, some may be in North America or Central America.”

If some of that production comes back to the U.S., it will likely be made using U.S. inputs.

“We would like for the entities that have driven China’s massive growth in the global marketplace to have to think twice now about whether the free ride of artificially priced goods coming out of China is over,” Tantillo said.

Other U.S. apparel organizations, like the American Apparel and Footwear Association (AAFA), remain staunchly against new tariffs on apparel and textiles.

Reiterating its position to Sourcing Journal Friday, a spokesperson for the AAFA said, “We strongly oppose any efforts to impose tariffs on textiles, apparel, or other consumer goods. Tariffs are a hidden tax on U.S. consumers and are highly inflationary.

A 25 percent tariff on our products would cost the average American family of four as much as $500 more per year. That said, we were pleased that the Trump Administration chose not to include textiles and apparel on its original list of products marked for tariffs, and strongly encourage them to refrain from adding tariffs in the future—either to the initial list or on any subsequent lists.”

For Tantillo, the polarity between the two positions has to do with the makeup of each organization's members. Those largely built by brands that have been buying products from China to support their business will be far less keen to see tariffs on apparel and textile goods from China.

"They are the entities that have worked with China to source that product and get it into the United States for three decades," Tantillo said.

The NCTO will make a formal submission to the USTR during the public comment period on the Section 301 intellectual property rights case, which will be open for submissions through May 11, with a public hearing to follow on May 15.

Source: sourcingjournal.com- Apr 20, 2018

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USA: Denim Days Expands Global Footprint to Meet Market Demands

Denim Days is adding new locations and experiences to facilitate an engaging and market friendly experience for industry members worldwide.

The denim-focused consumer event announced its upcoming 2018 show dates in New York on Sept. 22-23, Amsterdam from Oct. 22-28 and for the first time in Nashville, Tenn., on Nov. 10-11.

At the event, brands, designers and consumers can connect in an interactive environment where they will have access to pop-up shops, discussions and workshops. The aim of the new Denim Days lineup is to meet evolving market needs, while providing industry members with resources to collaborate on new design, production and circularity solutions.

"Last year we brought Denim Days to New York because we believed the concept would resonate with the New York denim scene–and we could not have asked for a better reception," Andrew Olah, New York Denim Days organizer and founder of the Kingpins Show, said. "Nashville is playing an increasingly important role in the American denim and fashion industry, and with its large creative community and deep roots in music, we felt that the city was a natural fit for Denim Days."

At New York Denim Days, industry members and denim lovers will be able to search for new jeans, compare notes on raw denim, source handmade indigo items and catch up on the latest denim trends for future design inspiration. On Sept. 21, New York Denim Days will host an invite-only day for Denim Legend Talks, a series of denim lectures that will address pressing industry topics, including digitization and circularity.

The event, which will take place at the Metropolitan Pavilion, will also feature pop-up shops at New York Waterway terminals during New York Fashion Week. Rounding out New York Denim days will be food, live music and art exhibits, enabling attendees to have a fully immersive denim experience during their trip.

Following New York Denim Days, the festival will move to Amsterdam, where a week-long City Center event will take place with denim retailers, in addition to a two-day Amsterdam Blueprint Festival that will feature brand activations, expos, seminars, workshops and a denim market for industry member attendees.

Nashville, Denim Days' new location, will host a two-day festival at Marathon Music Works. The city is known for its Americana-meets-vintage denim presence. At the event, indigo denim heads and makers will have access to brand activations, workshops sponsored by artisans and denim mills, and vintage denim markets.

Source: sourcingjournal.com- Apr 20, 2018

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Substantial progress made in RCEP negotiations: China

China said substantial progress have been made on negotiations on the Regional Comprehensive Economic Partnership (RCEP), in which India is a part, and it will work with other parties to reach a modern, comprehensive and mutually beneficial agreement as soon as possible.

The RCEP is a free trade area (FTA) consisting of 10 ASEAN members (Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos and Vietnam) and their six FTA partners : India, China, Japan, South Korea, Australia and New Zealand.

Negotiations on the Regional Comprehensive Economic Partnership (RCEP) are moving forward, with substantial progress, China's Ministry of Commerce said.

"Related parties are showing an active attitude in pushing the RCEP, and the pace of negotiations is speeding up," Ministry spokesperson Gao Feng was quoted as saying by the state-run Xinhua news agency.

Key areas including trade of goods, services and investments, have entered substantial pricing talks, and the 22nd round of negotiations will be held in Singapore from April 28 to May 8.

The last round of talks were held in Hyderabad last year.

"China will work with other parties to reach a modern, comprehensive and mutually beneficial agreement as soon as possible," Gao said.

The RCEP aims at liberalising norms for trade in goods and services and boost investment among 16-member countries.

China is pushing for RECP after US President Donald Trump pulled Washington out of the Trans-Pacific Partnership (TPP), a trade alliance worked by the previous Obama administration.

Facing threat of cheap imports from China after the bilateral trade deficit mounted to over USD 50 billion, Indian officials say India is specially seeking to protect its advantages in the services sector and stagger the phase-out of tariffs over a longer period in the case of China, to allow Indian industry more time to adjust.

Source: business-standard..com - Apr 20, 2018

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Africa: The weak moral and economic arguments against trade in used clothes

Three weeks ago, the president of the United States announced the suspension of duty-free imports of Rwandese textiles under the African Growth and Opportunity Act (Agoa).

The reason for this strong trade measure is that Kigali had banned imports of used clothes and footwear from the US. While Washington's response is allowable under the Agoa treaty, it remains a poorly dispatched signal that was bound to generate unnecessary tension in the overall agreement.

The busy patriots of the African continent who see persecution in every such measure took to making some fantastic claims, forgetting that the Agoa initiative is a unilateral concession by the US. Overall, it's a bad response that Washington could have handled much better without enabling the momentum against trade liberalisation.

The US statement animated responses from the "posh and serious" patriots of Africa. In their reckoning, Rwanda is being bullied for trying to build a domestic apparel industry by taking the informed decision that cowardly nations of the continent wouldn't take. Implied in this assertion is that African nations are not able to emulate selected Asian countries with a sizeable textile manufacturing industry. The summary of the economics argument is that the "flood of used clothes" is part of an active conspiracy to keep the nations of Africa from developing textile industries and climbing the manufactured-exports ladder.

PRIDE AND TIRED NATIONALISM

The moral argument is even more serious and is partly about pride, resistance to neocolonialism and the injunction of tired old African nationalism.

This argument states that the Rwandese nation, and by extension all Africans, should reject the imports and trade in used clothes because it is an affront to dignity for proud people to wear used clothing and shoes. In its crudest form, the question is, "Why should Africans wear clothes from dead Americans or Europeans?"

Both arguments are widely stated but are demonstrably wrong. To begin with, my estimate from the United Nations trade data reveals that the entire East African region imported less than $200 million in used clothes and shoes from the US in 2016.

Granted, $200 million per year is not loose change but it comes to $1 of apparel and footwear imports per East African citizen. This number tells me two important things and the first one is that the claim that there is a flood of used clothes being pushed into the East African to prevent the development of the apparel industry is not supported by this data.

That conspiracy is very weak when subjected to this simplest of data tests, especially since the US is itself an importer of vast amounts of apparel and footwear from nations in Asia. It is weaker still when examined against the most successful exporters of textiles and footwear.

Africa's competition in developing the desired apparel industry is further to the east, with countries such as Cambodia, Bangladesh and Vietnam as the new kids on the block. It will not benefit the US to stifle the growth of the textile industries in Africa unless the conspiracy theory is adjusted to imply that President Trump wishes to confer export advantage on Cambodia instead.

HOME-GROWN CONDESCENSION

Building home-grown clothing industries is desirable for many African countries but it is constrained mostly by the income levels of citizens. People do not buy used clothes and footwear because they are unaware that local industries produce alternatives. They do so because they wish to buy clothes that are affordable to them.

The moral argument claims that African dignity is erased for wearing clothes that have been worn and discarded by another. It is sensible to make that argument, except that it assumes that the owners of the clothes who hand them or sell them onwards do so with a condescending attitude to African people. There may be people who do so. I question this because there is a very strong tradition of respectfully donating used goods to one's relatives and friends in the African continent too.

For instance, many religious congregations and college associations in Kenya run clothes drives to hand over used material whether for charity or for sale without the intention to insult recipients.

If an African nation chooses to limit imports of clothes and footwear to substitute imports for local production, then that should be respected even if it is demonstrably inefficient. The idea that low-income people are being insulted when they buy used clothes is condescension made at home, and not imported with the used clothes. African dignity should be strong enough to allow for its citizens to make their own choice in this matter.

Source: nation.co.ke- Apr 20, 2018

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Vietnam: Optimistic outlook for textile and garment exports in 2018

Vietnam's target of exporting US$34-34.5 billion worth of garments and textiles for 2018 is within reach as the Vietnam Textile and Apparel Association (VITAS) said that many companies have received orders until the end of the third quarter of 2018.

According to VITAS statistics, the total export revenue of textile and garment products was estimated at US$7.62 billion in the first quarter of 2018, an increase of 13.35% over the same period last year, and equivalent to 22.4% of the year's target.

First quarter exports soared sharply

Vice President and General Secretary of VITAS Truong Van Cam said that in the first quarter, the export revenue of garment products alone posted at US$5.98 billion, up 12.49% compared to the first quarter of 2017.

Besides traditional garment and textile products, goods with a high value-added such as fabrics, fiber, geotextiles, and textile and garment accessories have also grown very well.

In terms of export markets, Vietnam enjoyed stronger growth in export revenue with its key export markets including the US, member countries of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the EU, the Republic of Korea, China, and ASEAN. T-shirts, jackets, and shirts were among the top export products in the first two months of this year.

According to the General Department of Customs, Vietnam's textile and garment exports to the US were reported to be around US$3.14 billion in the first quarter of this year, up 13.2% over the corresponding period in 2017, the highest pace of growth in the last three years.

Vitas predicted that Vietnam's garment and textile export revenue to the US would reach nearly US$13.8 billion in 2018, up 11% compared to 2017.

Truong Van Cam said that many garment and textile enterprises have received orders until the end of the third quarter, which, in combination with favourable prospects for the world and domestic economy in 2018, makes the export target of US$34-34.5 billion for 2018 an achievable goal.

CPTPP to be Vietnam's second largest textile and garment export market

Vietnam's textile and garment exports to CPTPP member countries grew at an average rate of 8% per year in the 2013-2017 period, accounting for about 15% of Vietnam's total textile and garment export revenue.

Within CPTPP, Canada, Mexico, Australia, New Zealand, and Singapore often import Chinese textiles and garments. When CPTPP becomes effective, it will create advantages for Vietnamese textile and garment products to enter these markets thanks to preferential treatment under tariff reductions. For instance, Canada commits to immediately eliminate 42 tariff lines for Vietnamese textile and apparel products upon the effectiveness of the trade deal.

It is expected that Vietnam's textile and garment exports to CPTPP countries will reach US$4.8 billion in 2018, an increase of about 10.5% compared to 2017. Thus, the bloc of CPTPP countries will be the second largest export market for Vietnam after the US market, which accounts for 47% of Vietnam's total garment and textile export turnover.

However, in order to enjoy tariff incentives when the CPTPP comes into effect, Vietnam's textiles and garments must meet the “yarn forward rule of origin,” which means that all items in a garment from the yarn stage to the weaving, dyeing, and sewing stages must be made in member countries of the CPTPP deal.

Regarding the level of development of textiles and garments, the technical standards of the CPTPP are not a big problem for Vietnamese enterprises. The matter is to meet the ratio of textile and garment accessories produced within CPTPP countries for the total value of the finished product.

Source: vietnamnet.vn - Apr 21, 2018

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Bangladesh exports to India up 15 per cent

Bangladesh’s apparel exports to India increased 111 per cent point-to-point in the last nine months. Knitwear exports to India increased 104 per cent, and woven exports increased by 113 per cent. Bangladesh’s total exports to India increased by 15 per cent during the period.

The main reason for the increase in apparel exports is the appreciation of the rupee against the dollar. Also, there is an advantage of lead time to export to India which is a neighboring country. Bangladesh is keen to collaborate with India on various fronts such as supply chain, technology and textile education.

Bangladesh is the world’s second largest readymade garment exporter and India is the second largest producer of manmade fiber and textile fabrics. Bangladesh feels it can work with India for creating a supply chain, where it can source the raw material like cotton and manmade fiber, yarn and textiles and convert them into fashion apparels.

Equal emphasis on physical and institutional connectivity between India and Bangladesh will facilitate the exploration of more opportunities through trade and investment. Connectivity offers a game-changing opportunity for India and Bangladesh. This is pivotal to India’s connectivity with its north-eastern region and with countries of Asean.

Source: fashionatingworld.com- Apr 20, 2018

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Bangladesh garment manufacturers call for fair pricing

Bangladesh garment manufacturers want a 'commensurate adjustment' by global brands and retailers in pricing and sourcing garments from developing countries like Bangladesh.

They conveyed this at a recent seminar on responsible garment supply chain organized at The Hague by the TMC Asser Institute, a leading think tank in the Netherlands.

Representatives from the civil society, Accord, International Apparel Foundation, the Dutch Government and academics and researchers participated in the day-long seminar, a Bangladeshi news agency reported quoting the Bangladesh Embassy in The Hague.

Any discussion on wage increase has to be matched by commensurate real increase in pricing for the actual producers within the global apparel supply chain, Bangladesh High Commissioner to Sri Lanka M Riaz Hamidullah told the seminar.

Bangladesh Ambassador to the Netherlands Sheikh Mohammed Belal, Bangladesh High Commissioner to Sri Lank M Riaz Hamidullah, and BGMEA President M Siddiqur Rahman and Vice-President (Finance) Mohammed Nasir also spoke at the programme.

The BGMEA leadership shared a number of key aspects to illustrate the way the RMG manufacturers in Bangladesh stepped forward in transforming garment manufacturing by adopting new values, approached and technologies, pledging on labor rights and occupational safety.

Bangladesh Garments Manufacturers and Exporters Association (BGMEA) president M Siddiqur Rahman said while more than 300 Bangladeshi readymade garment units are to receive Leadership in Energy and Environmental Design (LEED) certification offered by the non-profit US Green Building Council (USGBC), most of them do not receive the expected response from brands and retailers in spite of significant investment and innovations.

All the sessions discussed the need for European governments to engage with their respective brands and retailers to urgently look at increasing pricing as part of making apparel supply chain responsible and sustainable.

Source: fibre2fashion.com- Apr 21, 2018

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Pakistan: Govt leaves new trade policy for next setup

The incumbent government has decided not to announce the new five years trade policy and leave the matter for the next government.

The Strategic Trade Policy 2016-18 would expire on June 30 this year. The incumbent government had held various meetings with stakeholders to take their input on the new trade policy .

Earlier, the Strategic Trade Policy Framework (STPF) for 2018-2023 was expected to be presented before the federal cabinet in May 2018 just ahead of the next general elections. However, the government has now decided not to announce the next trade policy .

"It will be inappropriate with the new government if incumbent government announces five years trade policy ," said Muhammad Ashraf spokesperson for Ministry Of Commerce while talking to The Nation on Friday.

He further said that incumbent government could announce the policy before June this year, as it had already completed the homework. "We will present the draft of the new trade policy to the next government and it depends on them to approve the policy and amend it," he added.

Ashraf said that government has not fixed the exports target in the proposed new trade policy .

Pakistan is all set to miss its over-ambitious export target of $35 billion by June 2018, which was set in the three-year Strategic Trade Policy Framework 2016-18.

Pakistan's exports would touch $24 billion during ongoing fiscal year as against $20 billion of the previous year.

Exports are increasing due to the initiatives by the government to provide duty drawback as well as the exchange range adjustments have contributed positively to the growth.

Improved market access especially in the European market owing to the successful review of GSP Plus facility also played an important role.

Similarly, the government had recently allowed rupee depreciation against the US dollar, which helped in enhancing exports.

"The government will miss the export target during current fiscal year mainly due to delay in implementation of most of the policy initiatives," said another official of the ministry.

Major causes of the policy failure are lack of diversification of exports, little innovation and value addition in export goods, insignificant research to know latest consumer needs and failure to find new markets.

It is worth mentioning here that Ministry of Commerce a couple of months ago had arranged consultative meeting with relevant stakeholders, including representatives from chamber and commerce in order to get their inputs for promoting foreign trade in years to come.

The meeting was informed that Pakistan eyes more than $60 billion in exports revenue in the next five years. If the country achieves only 10 percent annual growth in exports the revenue could go up to $36.21 billion over the next five years. If exports grow 15 percent a year the foreign revenue could increase to $47.28 billion.

But, with 20 percent annual growth, Pakistan's exports could touch $61.03 billion over the next five years.

Source: nation.com.pk - Apr 21, 2018

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NATIONAL NEWS

Facing WTO threat, government plans new schemes for job creation

India is devising alternative schemes to promote manufacturing in the light of the recent threat to its export promotion programmes at the World Trade Organisation (WTO).

The government is mulling new schemes linked to job creation and manufacturing clusters, especially in the case of textiles and apparel where India has to phase out subsidies by the end of this year.

Being broader in focus and not just restricted to exports, these would not run afoul of WTO.

At a meeting last week, the government deliberated the idea of expanding the Rebate of State Levies (RoSL) scheme for textile and garments.

It will seek to refund those taxes that remain unrebated under the goods and services tax (GST) regime such as electricity duty and duties paid on petroleum.

"RoSL can be used to offset embedded taxes which are currently not being reimbursed in GST," said an official aware of the details.

Under RoSL, garment exporters get refunds from the Centre against all levies paid at the state level. This can now be expanded to include taxes that are still embedded.

The official added that production clusters can also qualify for concessions such as those on electricity.

Similarly, ideas linked to employment generation such as tax concessions on provident fund contributions and exemptions to new employees (check) can also be eligible for sops without violating global trade norms.

The textile ministry has recommended linking employment generation subsidies to the wage bill as the criteria for the subsidy.

The commerce department has said that the Advance Authorisation Scheme, which allows duty-free import of inputs used in manufacturing export products, is WTO compliant but called for a strong verification system to avoid excess subsidy.

Under the special and differential provisions in the WTO's Agreement on Subsidies and Countervailing Measures, developing countries with a per-capita, annual gross national income (GNI) below $1,000 at the 1990 exchange rate are allowed to provide export incentives to any sector that has a share below 3.25% in global exports.

Under existing WTO rules, a country can no longer offer export subsidies if its per-capita GNI has crossed $1,000 for three years in a row. In 2017, WTO notified that India's GNI was $1,051in 2013, $1,100 in 2014 and $1,178 in 2015. The government is also considering schemes to support compliance, sustainability and quality certification as they conform with WTO norms.

Source: economictimes.com- Apr 21, 2018

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Cotton is India's only GM crop

In terms of acreage, India is ranked fourth after the US, Brazil and Argentina in adopting of GM crops. While the top three grow more than one GM crop, India grows only cotton. Bt cotton was introduced in India in 2002 amid a raging controversy. This is a genetically modified seed. Many activists were alarmed at the decision to permit GM crops in India, and there were widespread agitations.

Bt cotton continues to be the only genetically modified crop permitted in India and has captured about 95 per cent of the crop area under cotton. However, the increase in productivity has not been commensurate. The average yield was 472 kg per hectare in 2005-06 (when only about 15 per cent of the cotton crop was covered by Bt cotton.)

The yield rose marginally to 484 kg per hectare in 2015-16. A dispute arose between several seed companies and Monsanto regarding Bt cotton trait fee payments.

Initially, the dispute between Monsanto and seed companies was the quantum of royalties or trait value to be paid by the latter. In 2010, some state governments fixed the maximum retail prices of cotton seeds, which included the trait values as a component.

The governments did this so as to ensure that seeds were available to the farmers at reasonable prices. However, Monsanto put pressure on the seed companies to pay the trait values as determined by them on the ground that they had a patent on Bt cotton seeds. The seed companies had no alternative but to pay under protest.

Source: fashionatingworld.com- Apr 20, 2018

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Plea to remove cess

Waste cotton traders in the State have sought removal of market cess on the product.

R. Senthil, co-ordinator of the waste cotton traders' association, said raw cotton attacts 1 % cess in the State and waste cotton also attracts 1 % market cess.

After the implementation of Goods and Services Tax (GST) most of the States that were collecting the cess have removed the tax levied on cotton or waste cotton. However, Tamil Nadu contintues to collect it.

Waste cotton does not go to the markets and is moved from the textile mills to industries that use the cotton for different purposes such as making mattress, carpets, and yarn.

Under GST, cotton attracts 5 % duty. Hence, there is no need for another cess, he said. About 10,000 traders handle five lakh to eight lakh kg of waste cotton a month in the State.

Source: thehindu.com- Apr 20, 2018

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CAIT urges Indian PM for separate internal trade ministry

The Confederation of All India Traders (CAIT) has written to Prime Minister Narendra Modi urging for a national policy for retail trade and formation of a separate ministry of internal trade.

The traders' confederation has also suggested assigning foreign trade portfolio to the ministry of external affairs instead of the commerce ministry.

The traders' body claimed in a statement that these steps will not only strengthen domestic trade but also improve the country's export performance.

Lamenting neglect of domestic trade by successive governments, CAIT secretary general Praveen Khandelwal said there are about 6.5 crore small businesses across the country that need special attention, according to a news agency report.

Source: fibre2fashion.com- Apr 21, 2018

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Arvind Fashion Brands and Sachin Tendulkar team up to launch True Blue

Arvind Fashion Brands along with its joint venture partner legendary Sachin Tendulkar has launched an iconic premium men's wear apparel and accessories brand called True Blue. True to its name, the brand re-interprets traditional Indian heritage in the modern context, making it relevant to the spirit of the global Indian.

True Blue represents modern India and Tendulkar being admired and loved all over the world yet unchanged by success, mirrors the brand's DNA and brings in perfect synergy between both the partners.

The apparel range designed and led by his persona will showcase 300 styles inspired from the heart of India.

Arvind Lifestyle Brands is currently working on further establishing its existing brands in India, which include Gap, Ed Hardy, Gant, and Nautica, rather than introducing new ones although the business is open to the idea. Alongside this, Arvind will be scaling up operations for True Blue.

Arvind Fashion Brands is a brand new venture from Arvind, India's largest integrated textile player and one of the oldest and most respected groups in the textile business in India. Arvind Fashion Brands was set-up in early 2015, with the objective of introducing desirable homegrown apparel brands with the Arvind promise of quality.

Source: fashionunited.in- Apr 20, 2018

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