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USD 64.50| EUR 76.60 | GBP 86.98 | JPY 0.57

Cotton Market

Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
19027	39800	**78.92**
Domestic Futures Price (Ex. Gin), October		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
18480	38656	**76.65**

International Futures Price	
NY ICE USD Cents/lb (Dec 2017)	69.27
ZCE Cotton: Yuan/MT (Sept 2017)	15,390
ZCE Cotton: USD Cents/lb	**90.13**
Cotlook A Index – Physical	**78.90**

Cotton guide: Yet another lightest trading volume in cotton at ICE platform. The December settled at 69.25. Almost a week now cotton is trading in a very thin range of 50 points.

The daily trading volume is lowest in 2017. December volume was around 10K contracts on Wednesday with lower open interest indicating market is still anticipating soon sell off in price could be witnessed amid higher crop supply projections in the US. This may be the reason speculators are now liquating their long positions.

However on the other side crop loss due to Hurricane "Harvey", "Irma" and now "Maria" is not completely factored in. The October USDA monthly WASDE report might give better insight on the US crop. The production may hover between 19 to 21 million bales while any surprise in the figure would change the market stance.

The latest movement of Maria is being critically evaluated and likely crop loss in the eastern region may be witnessed. Nonetheless the actual flow of hurricane would justify the real picture in the market.

From other side of the world Chinese auction reserve sales is at full swing and almost more than 95% of offers are being sold. This month end would be last phase of this season for auction. On Wednesday sales were around 125, 087 bales bringing total sales until date is 13.87 million bales. Remaining unsold reserve stocks is estimated around 25.09 million bales.

The interesting phase would come post the auction is over and entire world would start estimating Chinese consumption of cotton this year in the form of imports. We believe any strong development in this point would be the game changer for Cotton in the world cotton market.

Coming to domestic market in India spot is trading steady while forward bookings for December and January is taking place partly below Rs. 37500 per bale. The effect is seen on the futures front. The November and December are trading near Rs. 18000 per bale while October lowered slightly to close the session at Rs. 18430.

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

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INTERNATIONAL NEWS

What's Surging & Slowing in the Global Fiber Sector

When the global economy is in flux, the fiber sector doesn't go unscathed. In fact, experts say the industry is in a state of volatility with considerable ups and downs, significant overcapacity in a number of fiber segments and the backlash from slowing global demand at retail.

Speaking in Austria Friday at the Dornbirn Man-Made Fibers Congress, Andreas W. Engelhardt, owner of The Fiber Year consulting and author of the annual report of the same name, said the fiber market is in need of greater transparency and improvements along the textile value chain.

According to the latest The Fiber Year report, 2016 was the first time the global market size for fibers surpassed a volume of 100 million tons. However, growth slowed to 1.4%, marking the fourth consecutive year of slowing growth.

Synthetic fiber growth is up and cellulosic fibers are enjoying "quite a strong growth," Engelhardt said. Polyester in particular, however, saw the slowest growth in 80 years, and natural fibers are stagnating.

"By now the man-made fiber markets occupy 70 percent of the global fiber market versus 55 percent some 10 years ago, and this trend, for many, many reasons, will definitely continue for years to come," Engelhardt said.

Between 2006 and 2016, synthetics occupied 51 percent of the global market share, and now that number is 64 percent.

"We clearly see a global shifting toward man-made fibers while natural fibers, and that is mainly cotton, have lost market share and this trend definitely will continue," Engelhardt said.

When it comes to cellulosics in particular, things like lyocell, the fibers have seen above average production growth of 6 percent. By comparison, growth in synthetic fibers were up just 1.9% and polyester specifically was up just 1 percent in 2016.

Growth in cotton production did increase 8 percent last year, but, as Engelhardt pointed out, “The year before we saw a disastrous cotton harvest, meaning that the global output shrank by some 25 percent, so 8 percent growth is just more or less back to normal levels.”

A breakdown by country

In the U.S. market, which is very much driven by cotton, Engelhardt explained, man-made fiber output has been on the decline though it has managed to stabilize following the financial crisis. The U.S. produced 5 million tons of staple fibers, a 24 percent surge, as a result of a rebound in cotton.

China lifted its volume of stable fibers by 2 percent to 20 million tons, due only to gains in man-made fibers. In India, output advanced 2 percent to 10 million tons thanks to increases in all categories.

According to Engelhardt, “Bangladesh is fully focused on cotton products, and that in the long run may pose a challenge because we all know cotton products are more expensive than man-made fiber products. But as of today, Bangladesh is not able to supply man-made products…with a little time lag we will see a growing share of man-made fibers in Bangladesh.”

Vietnam, with its recently expanded capacity in anticipation of the Trans-Pacific Partnership, has seen strong increases in cotton yarn, though the country is exporting two-thirds of its yarn, mostly to China, but they are in need of importing two-thirds of their fabric requirements.

“That’s a good example of a missing linkage along the chain,” Engelhardt said. Despite that, though, Vietnam seems to still be riding the wave of TPP interest—despite the trade deal being stalled for some months after the U.S. pulled out of it—and growth in the space is expected to continue. “There’s still a lot of opportunity for investment in Vietnam along the entire chain, not only for fibers and yarns, but also for fabrics.”

Source: sourcingjournalonline.com - Sep 20, 2017

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Honduras Transforms Its Textile Sector With US$1.5B In Investments In Cutting-Edge Technologies

Honduras' textile and apparel sector has attracted US$1.5 billion in strategic investments to help transform the country into one of the world's major players in the booming synthetic yarn and activewear market.

The funds have been used to modernize sewing machines and other equipment, expand industrial parks, improve port and road infrastructure, train workers, and build renewable energy facilities with the goal of slashing electricity costs, according to Ramfiz Rodriguez, international promotion and communication manager of Honduras2020, a public-private partnership to stimulate economic development. The goals for the textile sector, one of Honduras2020's strategic pillars, include increasing annual exports to US$7.4 billion and adding 200,000 jobs to the existing 150,000 by 2020.

Several Honduran investors pooled US$73 million in January to launch the synthetic texturized yarn production plant United Textiles of America (Unitexa), slated to begin operations in the summer of 2018. The plant will have the capacity to produce more than 25,000 tons per year of Drawn Texturized Yarn (DTY) in a range of dimensions and textures, to be used for the elaboration of synthetic sport, moisture-wicking, stain-resistant and other high-performance fabrics for clothing and footwear. Rodriguez says synthetic textile manufacturing lead times and costs will become even more competitive once the high-tech yarn is produced locally instead of imported.

According to Rodriguez, Honduran textile giant Elcatex and others are ramping up synthetics output in Honduras, while several US, Chinese and European investors are already considering opportunities both in synthetics manufacturing facilities and in distribution centers to service e-commerce. Several plants in the country have already incorporated new technologies for the use of recycled synthetic fibers.

Rodriguez says that with more than 30 years of experience in the industry, Honduras is Central America's top textile exporter. According to the Honduran Maquiladora Association (AHM), it is hoped exports of textiles and clothing will increase from US$4.1 billion in 2016 to US$4.5 billion this year. The industry is one of Honduras' main export and employment generators, comprising nearly 260 companies operating in 16 industrial parks.

Some 83 percent of Honduran textile exports are destined for the US market, Honduras2020 data shows. The country is the US's no. 1 supplier of cotton t-shirts and no. 2 supplier of fleecewear, according to the United States Trade Office. Honduras' goal is to surpass Indonesia and Mexico to become the US's 5th most important apparel provider, Rodriguez explains.

Multinational textile companies operating in Honduras include Fruit of the Loom, which established itself in 1993 and now operates eight production plants across the country. Hanes operates 13 industrial plants and has been established in Honduras for more than a decade.

The Canadian company Gildan Activewear, which initiated operations in Honduras in 1997, has chosen Honduras as the site of many of its modern manufacturing facilities for socks, sportswear, underwear and screen printing, and is preparing to build a new textile plant to increase its production capacity, according to Rodriguez.

Proximity to the U.S., competitive production costs, a highly specialized labor force, low worker attrition, ongoing worker training, product quality, the adaptability of production facilities to changing consumer tastes, attractive tax benefits and environmental and social sustainability practices are some of the reasons foreign companies cite as their reasons for producing in Honduras, Honduras2020's international promotion and communication manager explains. Preferences granted to Honduran textiles under the Free Trade Agreement of Central America (CAFTA) include free access to the US market.

Infrastructure has been another priority, with significant investments being made in Puerto Cortes–the only deep water port in Central America and the first in Latin America with CSI and Megaport certifications from the US government–as well as in the highways leading to and from it. Puerto Cortés is being expanded to double its cargo management capacity to more than 1.2 million twenty-foot equivalent units (TEUs), according to Honduras2020.

Honduras has also invested heavily in technology to ensure the sustainability of textile manufacturing. All textile production plants treat and recycle the water and salt used in the fabric dyeing process, says

Rodriguez. Elcatex operates Latin America's largest above-ground photovoltaic generator, with a capacity of 7.5 megawatts (MW), in addition to using other renewable energy sources such as biomass.

As part of a public-private partnership, affordable housing is being developed for textile workers near several industrial parks around the country. The housing is located in gated communities featuring schools, parks, day care centers and recreational facilities.

Source: textileworld.com- Sep 20, 2017

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Uzbekistan to review import duties, excise taxes

New excise tax rates and customs duties on products imported to Uzbekistan will be reviewed.

The issue is stipulated in the draft resolution "On measures to further streamline Uzbekistan's foreign economic activity", published on the portal of interactive public services.

The resolution is aimed at creating favorable conditions for sustainable development of national production on the basis of application of the conventional methods of customs and tariff regulation of foreign trade activity; creating favorable conditions for domestic producers to import the necessary equipment and its components, raw materials and materials, stimulating the production of high-quality finished products, satisfying the consumer demand of the population and preventing the price hikes in the domestic market.

Under the document, new rates of import customs duties will be established for 97 product groups and excise tax - for more than 34 groups of goods.

Custom duties in Uzbekistan for imported goods range from 0 to more than 100 percent, but the average rate is approximately 30 percent.

Since January 2010, some five percent customs duties are applied to imported live animals, milk and cream, wheat, and computer hardware; 10-

30 percent duties are applied to clothing, furniture, metals, foodstuffs; and more than 50 percent duties are applied to luxury consumer goods such as cigarettes and cars.

The categories of imported goods which are indefinitely exempt from customs duties include charter fund contributions for private enterprises, provided that these are not further sold, goods imported by enterprises with foreign investment for their own needs, goods imported by foreign investors for their own production and personal use, goods imported under a temporary importation regime, goods imported to process for further export and for statutory needs.

Excise tax, charged as a percentage of the declared customs value, must be paid on certain products, such as cigarettes, vodka, ice-cream, oil and gas condensate, fuels, cars, and carpets. Excise tax rates vary depending on the type of imported good and may deviate significantly.

For example, the excise tax for jewelry is 90 percent, but two percent for passenger cars imported from Russia and Ukraine. The highest import excise tax – 200 percent – is levied on imported ice cream products.

Uzbekistan's trade policy also includes the use of tariff-like instruments, such as various types of import surcharges.

The two most important are the surcharges placed on all imports by individuals and the surcharges placed on imports coming from third party countries through neighboring countries that do not have certificates of origin.

Source: azernews.az - Sep 20, 2017

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36 Pakistani companies participating in texworld exhibition to boost textile exports

The participation of 36 Pakistani companies in Texworld exhibition would greatly help in giving an impetus to the exports of textile products to the European markets.

This was stated by the Ambassador of Pakistan to France Moin ul Haque during his visit to Pakistan Pavilion established at the four-day 41st Edition of Texworld fair in Paris on Tuesday where Pakistan's high quality and value added textile products where showcased to attract buyers and visitors, said a press release.

The ambassador appreciated the variety of high end fabrics, cotton wears, jeans and which meet the taste and preferences of European clients.

The ambassador also met each exhibitor individually and thanked them for their participation which would help introducing Pakistan's diverse textile products and would also provide much needed boost to the Pakistan's textile exports to the lucrative European market.

Some of the major Pakistani textile groups/exporters like Nishat Mills, Kohinoor, Sapphire, Liberty Textiles, Kamal Limited, Masood Textiles and Lucky Textiles participated in the exhibition.

The Texworld, held twice every year, was a popular trade fair exclusively for professionals from the textile and fashion industry. It was a valuable and efficient gateway to the European market for international textile manufacturers.

Source: dunyanews.tv- Sep 20, 2017

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UK increases export support for Bangladesh and South Africa

The UK has quadrupled its export finance support for Bangladesh from £150mn to £625mn in a bid to boost the country's railway industry.

A trade delegation of nine UK rail companies from across the supply chain, including systems design, operations and supply chains, were on tour to Bangladesh this week.

"Rail is an important sector for Bangladesh and the group is eager to look into areas where UK expertise can help assist with existing transport initiatives that are key to the onward growth and productivity of the country," reads a Foreign and Commonwealth office statement.

The UK has strong business interests in Bangladesh and is one its largest foreign investors. The UK is also the third single largest destination for exports from Bangladesh.

Meanwhile, international trade secretary Liam Fox, on a trade trip to South Africa and Mozambique, announced that the UK will double its support for trade with South Africa by an additional £1.75bn.

Support will be made available through the UK's export credit agency UK Export Finance (UKEF).

Total trade in goods and services between the UK and South Africa totalled £8.1bn in 2015, a 5.2% increase on 2014. Total trade in goods and services between the UK and Mozambique totalled £284mn in 2015.

New insurance for "complex markets"

Fox also announced that UKEF will offer UK businesses wider access to government-backed overseas investment insurance (OII) in a bid to encourage more UK companies to invest overseas.

OII will provide UK companies investing abroad with protection against losses related to political or extraneous events in a bid to widen the scope of risks against which the government can cover investors.

It will offer protection where there is a commercial demand but the private sector is unable to meet the need "such as markets with complex legal or political contexts, or in which difficulties may arise over transferring local-currency earnings".

The new policy will cover risks such as war, civil war, revolution and insurrection in the host state or expropriation or nationalisation of the business in which the investment is in (made contrary to international law). The policy will pay out up to 90% of the loss after a specified waiting period of typically six months.

Chairman of the Lloyd's market association political risks, credit and financial contingencies business panel, James Bamford, says: "UKEF's overseas investment insurance will greatly enhance the support the private sector can provide. Together, we can offer greater assurance to UK investors and help them fulfill their international ambitions by focusing on advantageous commercial opportunities rather than political complications".

Source: gtreview.com- Sep 20, 2017

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Botswana launches response strategy for US AGOA scheme

Botswana's ministry of investment trade and Industry (MITI) recently launched its response strategy for the US African Growth and Opportunity Act (AGOA) initiative with assistance from the USAID Southern African Trade and Investment Hub. The strategy offers a roadmap for developing export competitiveness, according to MITI minister Vincent Seretse.

AGOA offers Botswana and other African countries non-reciprocal concessions of more than 6,500 product lines duty free into the US market. USIAD will help local businesses with the utilisation of financial institutions, identify gaps and assist small and medium enterprises in building capacity.

The AGOA act was enacted into law in 2000 and has been renewed till 2025.

At the launch ceremony in Gaborone last week, Seretse said the strategy will help the government identify policy responses in targeted sectors to allow exporters in Botswana to increase exports under AGOA, cultivate a consultative mechanism between public and private players and attract investment in those sectors that can benefit from international trade, said a report in a Botswana newspaper.

The sectors identified include textiles and apparel, horticulture and agro-processing, handicrafts, leather and natural products.

The strategy also encompasses an elaborate implementation matrix detailing specific sector based actions and activities to be undertaken for effective implementation of the Strategy.

To ease the business environment, a one-stop shop centre will be officially launched in October, Seretse added.

Meanwhile, the Botswana Investment and Trade Centre (BITC) has launched a ‘crusade’ to gain greater access to the UK and the European Union markets, another newspaper reported.

Interested exporters have been invited to submit their updated company profiles and the BITC plans to target trade fairs and expos in the region to promote its companies and products.

Source: fibre2fashion.com - Sep 20, 2017

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Pakistan: Textile exports rise to $2.2 billion in July-August

Textile exports increased 5.9 percent to $2.18 billion in the first two months of the current fiscal year of 2017/18 as the sector geared up efforts to meet government's exports increment target to qualify for incentives.

Pakistan Bureau of Statistics (PBS) data on Wednesday showed that textile industry fetched $2.06 billion in revenue in the corresponding period of the last fiscal year.

Textile sector accounted for more than 60 percent of exports revenue of $3.49 billion earned during the period under review. Total exports were up 11.8 percent over the same period a year earlier.

Value-added textile industry showed resilience during the two-month period. The highest revenue spinner in the group was knitwear that earned the country $439.26 million in July-August, up 7.6 percent over the corresponding period a year ago.

Exports of readymade garments rose 15.7 percent to $418.63 million during the period under review. Likewise, bedwear export increased 8.1 percent to $384.32 million. Cotton cloth export, however, decreased 7.9 percent to $349.3 million.

In January, the government unveiled a Rs180 billion worth of incentive package for both textile and non-textile sectors. The scheme comprises of concessions on and exemption from sales tax and customs duty on import of cotton and textile machinery. But the incentives are linked with an increase of exports revenue by at least three billion dollars till end of the current fiscal year.

PBS data showed that food exports climbed 30.1 percent to $512.32 million in the July-August period. Almost half of the food export revenue stemmed from rice export that rose 40.4 percent to $223.94 million during the period under review.

Leather sector, which continued to face decline in exports for quite sometimes, also witnessed a rise of 5.8 percent in exports at $89.17 million during the two months.

In August, textile exports rose 8.6 percent year-on-year (YoY) and 16.5 percent month-on-month (MoM) to $1.18 billion. Knitwear export increased 21.1 percent YoY and 26.7 percent MoM. Exports of bedwear surged 14.9 percent YoY and 25.5 percent MoM. Readymade garments export rose 11.1 percent YoY, but it fell 3 percent MoM.

In July-August, total imports surged 24.9 percent to $9.79 billion, according to PBS.

Key import groups, during the two months, included petroleum products, followed by machinery, agricultural products and implements and foods.

Oil imports soared 34.4 percent to $2.03 billion in July-August. Imports of machinery, mainly power generation plants, electrical appliances and telecom equipment, rose 6.3 percent to $1.98 billion. Agricultural products' import amounted to $1.42 billion, depicting an 18.3 percent jump YoY.

Food import bill climbed 27.2 percent to $1.12 billion in the period under review. In food group, the major import was of palm oil that shot up 47.6 percent to $359.62 million. In August, imports increased 15.1 percent YoY and inched up 2.4 percent MoM to $4.95 billion.

Petroleum group's imports amounted to $1.08 billion, up 47.9 percent YoY and 14.5 percent MoM during the last month. Though machinery import declined 15.8 percent YoY and 6.4 percent MoM to $951.67 million, it was the second biggest import group in August.

Import of agricultural and other chemicals rose 11.3 percent YoY and fell 5 percent MoM to $691.78 million in August. Food imports increased 15.5 percent YoY and 10.1 percent MoM to $588.49 million during the past month.

Source: thenews.com.pk- Sep 17, 2017

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Pakistan: Around 2.365 million cotton bales arrive in local markets

Around 2.365 million cotton bales have arrived in the local markets for pressing in the mills as well as for exporting.

Out of the total around 846,238 bales have arrived from the Punjab and 1,519,317 from the Sindh.

According to data of Pakistan Cotton Ginners Association (PCGA), out of the total cotton bales arrived from the Punjab, 687,024 bales sold, whereas 50,229 bales remained unsold.

The total quantum of unginned cotton in the province was recorded at 108,985, the data reveled.

Meanwhile, out of the total arrived output from the Punjab, 737,253 bales were pressed, 17,800 bales exported and 669,224 bales sold to local textile mills, it added.

According to data, out of the total crop arrived from the Sindh 1,232,823 bales were sold whereas 43,086 cotton bales remained unsold.

Out of the total arrival, 1,275,909 bales were pressed, 77,275 cotton bales exported and 1,155,556 were sold to local textile mills during the period under review.

The total unsold stocks from the Sindh was recorded at 43,086 bales and un-ginned stock was registered at 243,408 bales, the data added.

It is worth mentioning here that textile group exports from the country during first month of current financial year grew by 2.78 percent as compared the same month of last year.

The country earned US$ 1.008 billion by exporting the textile products, which was recorded at US$ 979.414 million of same month last year.

Source: brecorder.com - Sep 20, 2017

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Bangladesh: Spinners struggling for port congestion

Spinners are facing troubles as they cannot release cotton from Chittagong port in time due to congestion that was created from the breakdown of two of the four gantry cranes in June.

Cotton is an essential raw material for the garment sector, the country's main export earner.

The spinners import cotton from India, the US, African countries and many others, and they have to wait for eight to 10 days to release the cotton from the port.

"Sometimes, we have to wait even for two weeks to release the containerised cotton from the port," said Razeeb Haider, managing director of Outpace Spinning Mills Ltd.

Even six months ago the spinners could release the cotton from the port within three days, which was very convenient for them, he said.
The longer waiting time at the port means paying fees to the Chittagong Port Authority (CPA) every day as berthing charge.

Haider said every cotton importer has to face the same situation as him at the port now.

The importers are paying $14-$20 for a container as overstaying fee at the port every day. The fees have been increasing the cost of doing business. In such a scenario, importers are bringing in more raw cotton than they need at present and stockpiling them at warehouses.

The stockpiling has also a big cost for spinners, Haider said. Leaders of Bangladesh Textile Mills Association (BTMA), the spinners' platform, will meet with the chairman of the CPA soon for a solution to the problem.

It might take six to seven months to repair the two gantry cranes at the Chittagong port, according to Md Jafar Alam, member for administration and planning at the CPA.

Alam said the turnaround time at the port has come down due to rolling out of round-the-clock operations on August 1.

The goods are released from the port by geared vessels, which have a similar capacity to gantry cranes.

Now, the average turnaround time of ships at the port is 2.97 days, down from 10 days in the aftermath of the breakdown of the two cranes.

“If the cotton importers can submit the documents timely we can deliver the goods in normal time, like in three days.”

However, the port authority does not have any special arrangement for cotton importers, Alam said.

He suggested the cotton importers should use Pangaon river port for reducing transport cost and time.

In 2016, Bangladesh imported 6.5 million bales of cotton, and of the amount only 0.7 million bales were imported through Benapole land port, according to Monsoor Ahmed, secretary of the BTMA.

Bangladesh's cotton import will creep up to 7.1 million bales in 2017-18, further consolidating its position as the world's largest importer of the fibre, according to the United States Department of Agriculture.

Bangladesh has overtaken China after the latter stopped sourcing due to ample stocks of its own. In 2016-17, seven million bales were imported; one bale equals 480 pounds or 218kg, and the cotton year begins on August 1 and ends on July 31.

Local growers can only supply less than 3 percent of the yearly demand, leading to imports worth over $3 billion.

The 430 local spinning mills can supply nearly 90 percent of the yarn for the knitwear sector and 40 percent of the fabrics needed by the woven sector.

Source: thedailystar.net - Sep 21, 2017

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Pakistan: China agrees to give market access to 70 items

China has agreed to provide market access to 70 items shared by Pakistan besides providing concession on all items included in the offer list.

This acceptance came during the negotiations held under 2nd phase of Pak-China Free Trade Agreement (FTA) in China.

"We want the concession on 70 import items and low tariff line on products for further trade liberalization in 2nd phase of FTA between Pakistan and China", a top official of Ministry of Commerce told APP here on Wednesday.

FTA with China, the official said negotiations on Phase-II of the agreement with the country was held in September 13 to 14 in China which was led by Secretary Commerce Younas Dhaga.

He, however, added that Pakistan was desirous to have duty relaxation on 70 products before launching the phase-II as same China given to Association of South East Asian Nation (ASEAN) countries.

"We demanded unilateral relaxation on 70 different products for coming three years before signing Phase-II of FTA with China." the official said.

While talking about Pakistan and Thailand FTA , he said that both the countries have agreed on to present the complete offer list of Free Trade Agreement (FTA) on October 15, 2017 for reaching near the final agreement.

Pakistan wants concession on 100 products as same Thailand granted to other FTA partners in these products, he said.

Ninth round of talks between Pakistan and Thailand will be held from November 14-15 in Thailand to reach a final decision on Free Trade Agreement (FTA).

Both sides had exchanged the final offer lists of items for free trade, including automobile and textile sectors for removing the reservations of both sectors.

During the 9th round, he said, talks would be held on the text of agreement, tariff reduction modalities, complete request lists from both side and offer lists.

The official said that Pakistan had relative advantages over Thailand in some 684 commodities including cotton yarn and woven textiles, ready made garments, leather products, surgical instruments and sports goods.

Source: brecorder.com- Sep 20, 2017

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Portugal Ramps Up Exports

Portugal's textile industry has the wind at its back and it looking to make the most of it.

Last year, total textiles turnover from the country reached 7.3 billion Euros (approximately $8.6 billion), with exports accounting for 70% of the business.

"This figure, which had only been obtained at the beginning of the first decade of the century, is a good illustration of the current profile of the Portuguese textile and clothing industry, which was able to carry out an extraordinary reconversion and modernization of its companies, being an international case study, since it achieved the best results now with half of the companies and workers it had at that time," the industry trade association, Portuguese Textiles and Apparel Association (ATP), said of the results.

To reinforce the Portuguese textile and clothing sector, the ATP launched a program this year called "Fashion From Portugal." It focused on four strategic markets – the U.S., Spain, Germany and the Nordic countries – and promotes Portuguese textiles in three silos: brands/fashion/design, private label and home textiles.

Source: homeandtextilestoday.com- Sep 19, 2017

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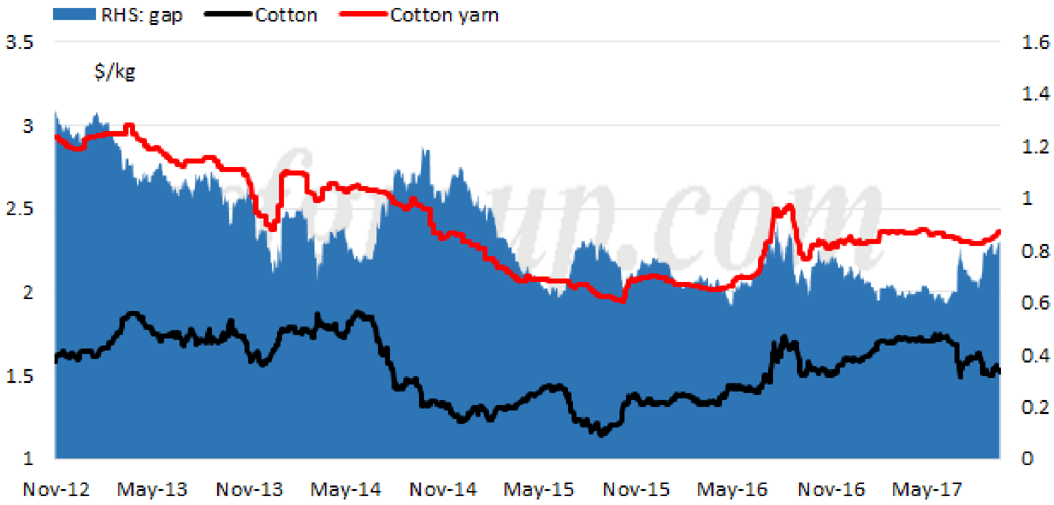
China: Pakistani cotton yarn price to curve downtrend

1. Price of Pakistani cotton and cotton yarn diversifies

Price of Pakistani cotton and cotton yarn since Nov 2012

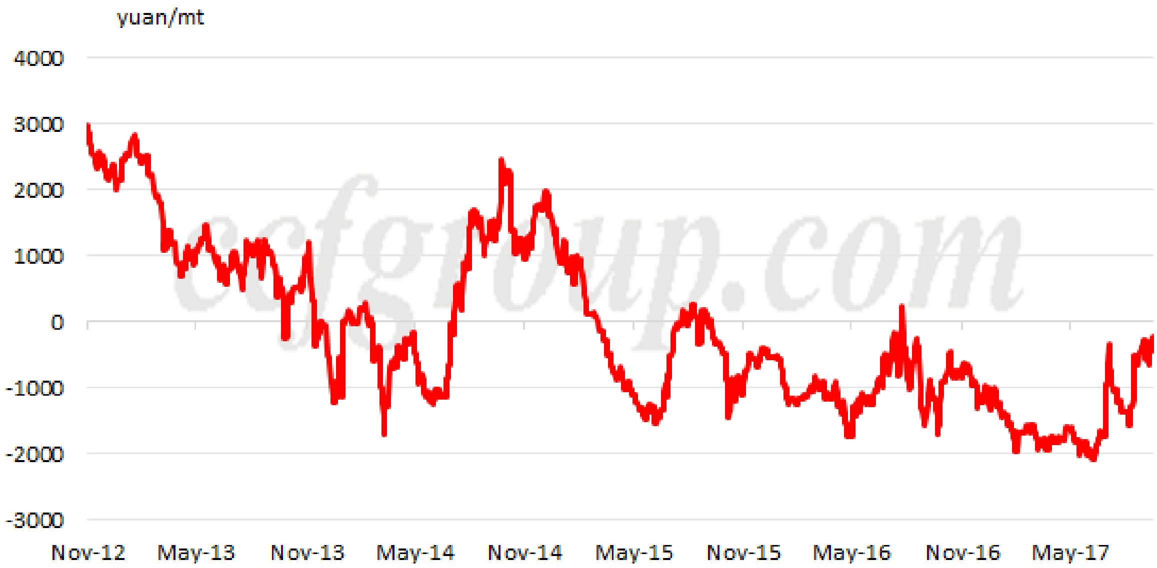


Note: Pakistani cotton price is calculated from Karachi cotton index, and cotton yarn price is on Pakistani grade-A siro-spun 10S, CIF major China ports.

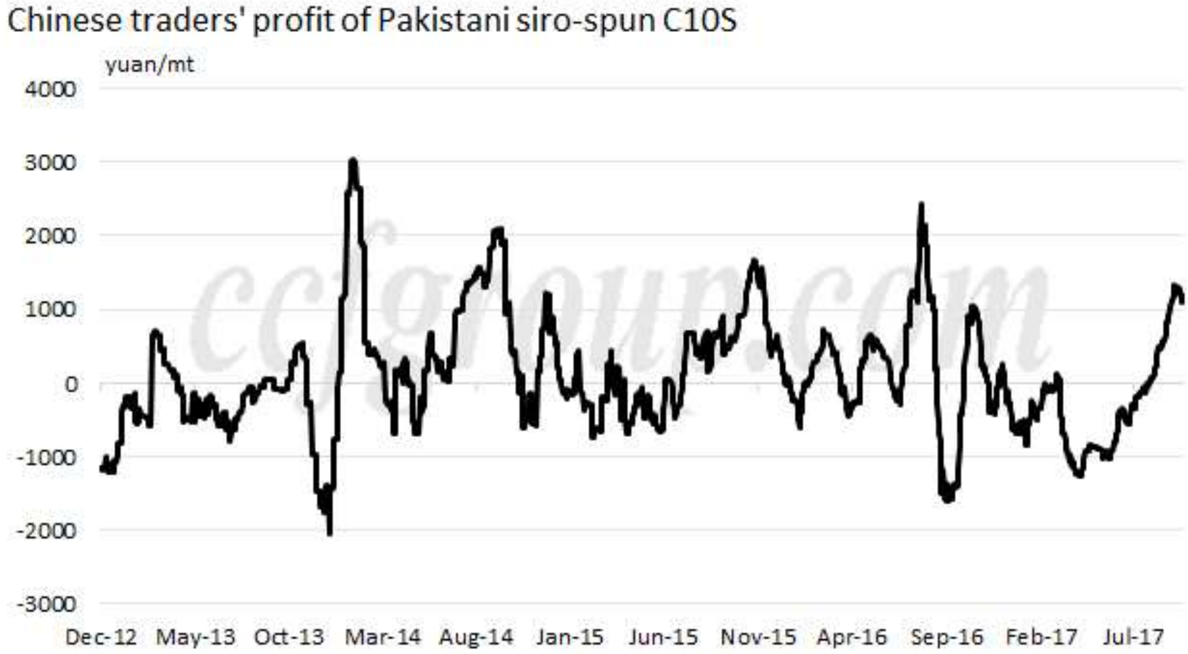
Pakistani cotton and cotton yarn price is divided, with cotton price apparently moving down while cotton yarn price climbing up. Why?

2. Divided appearances are mainly caused by the recovery of unbalanced profit distribution

Profit of Pakistani siro-spun C10S in spinners



Pakistani siro-spun 10S producers are under losses now when shipped to China, and most prefer to sell at high level with recovering profit although cotton price slips. On the contrary, if spinners see moderate margins, price is hard to rise, more likely to keep stable.

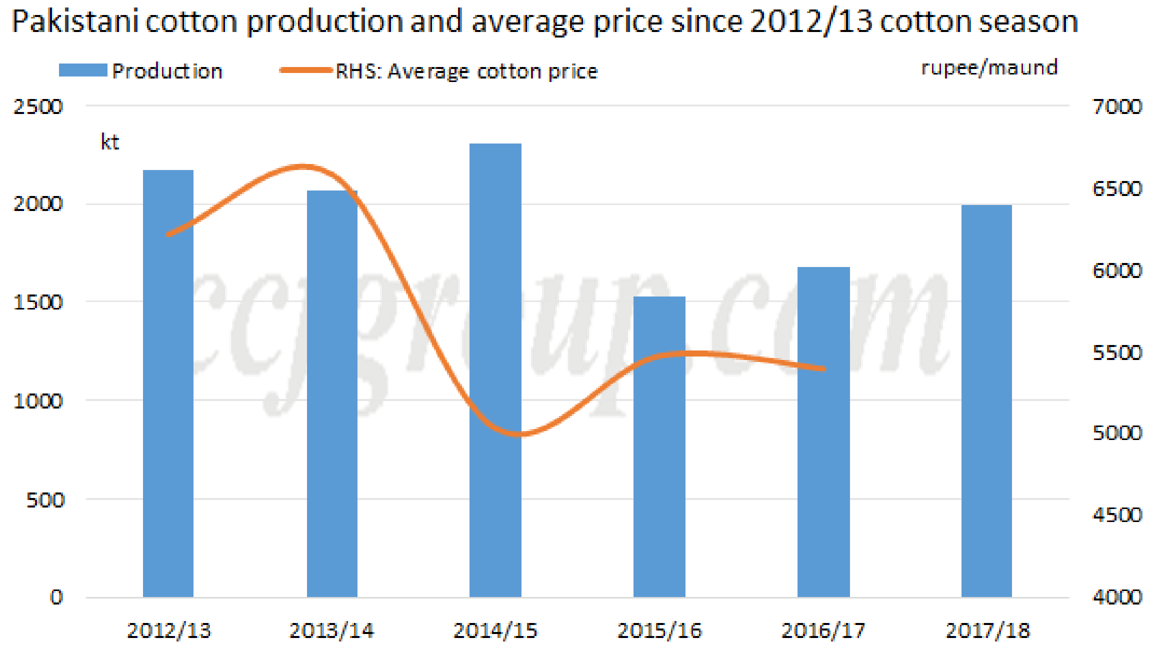


Currently, Chinese traders of Pakistani siro-spun 10S have above 1,000yuan/mt of profit and orders for Pakistani cotton yarn from Chinese buyers are moderate, with most goods at Nov shipment. Supported by tolerable orders, Pakistani spinners are unwilling to cut price despite of falling cotton price. Will Pakistani cotton price keep decreasing while Pakistani cotton yarn price sustain firm?

Cotton production was high in Pakistan in 2012/13 and 2013/14 crop years, but cotton price was high supported by cotton reserve without limitation in China, and price of Pakistani cotton slipped greatly in 2014/15 crop year after China removed cotton reserve although cotton production was high too. Pakistani cotton price was supported by low production two cotton seasons thereafter, impacting the competitiveness of Pakistani cotton yarn.

Cotton production is expected to recover further in 2017/18 cotton season and cotton production is anticipated to grow in many cotton growers too. Price of Pakistani cotton is supposed to keep falling in 2017/18 cotton season compared with 2016/17 without support from Chinese cotton policy, and price will be lower when new cotton arrives.

Currently, Pakistani cotton price is around 6,000rupee/maund, equal to 10,009yuan/mt after-tax, higher than the average level 5,394rupee/maund in 2016/17 cotton season, equal to 9,014yuan/mt, still having downside risk.



Note: above data is based on USDA report and the production of 2017/18 crop year is estimated in Sep.

Pakistani cotton yarn price may be hard to rise

RMB appreciated by 5.2% from end-Jun to early-Sep against USD, and the cost of imported cotton yarn was reduced by around 1,000yuan/mt, which meant the profit of Pakistani siro-spun 10S was mainly contributed to the appreciation of RMB.

Besides, price of forward Pakistani siro-spun 10S second-lined brand was low at around $2.28-2.30/kg in Jun-Aug, CIF major China ports, while arrivals in China was scarce in Aug-Sep, pushing up spot selling price, which also created margins.

However, recent price of forward Pakistani siro-spun 10S second-lined brand moves up to $2.37/kg, CIF major China ports, up by $0.09/kg (equal to around 1,000yuan/mt), and RMB stopped appreciating. Coupled with decreasing spot selling price in China, profit of Pakistani siro-spun 10S is squeezed rapidly. Therefore, price of Pakistani cotton yarn is supposed to fall in line with cotton market later.

Summary and conclusion

Pakistani cotton price is expected to decline further when cotton production is anticipated to increase in 2017/18 cotton season, and price of Pakistani cotton yarn may be hard to keep rising, more likely to slip consistent with cotton market after finished correction.

Source: ccfgroup.com- Sep 21, 2017

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Indonesia's textile exports may reach $15 billion by 2019

Indonesia’s textile-related exports are projected to reach $15 billion by 2019 and will employ 3.11 million people, industry minister Airlangga Hartanto has said. The sector’s annual production capacity will rise to 1,638 tonnes by then, he told the International Textile Manufacturers Federation (ITMF) Conference held in Nusa Dua, Bali, recently.

The industry ministry predicted that textile and textile products exports will grow around 11 per cent annually. The sector is estimated to contribute $12.09 billion to the economy in 2017 and $13.5 billion in 2018. By 2017 end, this sector can absorb up to 2.73 million workers, and increase that to 2.95 million in 2018.

Hartanto urged industry players to utilize digital technology, such as 3D printing and automation, to turn competitive and efficient, according to Indonesian media reports.

The Indonesian textile industry has the potential to accelerate the stable growth observed in the last few years with a better and more investor-friendly business climate, said ITMF general director Christian Schindler.

Indonesia is ranked the ninth best country for value-added manufacturing in the world, surpassing Russia, Australia and other ASEAN countries, according to statistics from the United Nations Industrial Development Organization.

Source: fibre2fashion.com- Sep 21, 2017

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Sri Lanka: Apparel makers seek concessions to import labour from regional countries

Sri Lanka's apparel industry is now seeking concessions from the government to import labour from regional economies to address the local labour shortage, National Policies and Economic Affairs Deputy Minister Dr. Harsha de Silva said yesterday.

"We have tens of thousands of jobs that cannot be filled in the apparel sector, in the (industrial) zones, because no one wants to take those jobs. So people are coming to us and telling us 'Harsha, could you give us some concessions so we can get some people from Nepal or Bangladesh or Myanmmar' or various other places," he said. He was speaking at a seminar on US Generalized System of Preferences programme by the Sri Lanka-USA Business Council of the Ceylon Chamber of Commerce.

Many other industries, such as shipbuilding, construction and plantations have also shown interest in importing labour due to manpower shortages.

However, protectionist elements in the social and political spheres are resisting attempts to import labour to Sri Lanka. The construction industry seems to have already succeeded in its efforts, since thousands of Chinese Indian and Bangladesh labourers work at construction sites in Colombo, both legally with proper visa and illegally with tourist visas.

Meanwhile, Dr. de Silva also expressed doubts about the sustainability of the apparel industry, even if it is allowed to import labour.

"But, then, how sustainable is that? Is that what we really want? All what we want is to create jobs that pay good salaries and get people employed with higher paid salaries.

That's the difficult question we as policy makers have," he said.

Dr. de Silva said that although the apparel industry has served Sri Lanka reasonably well for the past several decades, it will have very limited potential going forward, unless the industry upgrades itself to the next level.

"Unless we move to the next level of apparel, (such as) high-tech apparel, wearable technology (and) designer apparel, the scope is limited," he said.

Only a handful of companies have currently invested in such technologies.

The apparel sector enjoys high margins, with owners and professionals in corporate offices earning super incomes.

However, as Dr. de Silva mentioned, labourers are not keen to take up lower level jobs in the apparel industry or industrial zones.

In spite of this, the 40th anniversary celebrations of the Board of Investment held at the Katunayake Export Processing Zone saw predominantly apparel industrialists being felicitated with awards.

Although poverty has fallen, inequality is rising as a serious problem in Sri Lanka as highlighted by both the World Bank and the Asian Development Bank this year.

Source: dailymirror.lk- Sep 21, 2017

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NATIONAL NEWS

Integrated info to be collected on cotton

Forecasting large quantum of cotton production by farmers this season, District Collector Guarav Uppal on Tuesday instructed officials to form teams, to carry out integrated surveys on cotton cultivation in the district.

“Preliminary data estimated by various teams show the cotton output for the season to be about 4.62 lakh metric tonnes,” he said.

Speaking to officials from various departments at the Collectorate, he directed them to gather data by finding the total area sown and acreage of cotton in the district. The whole data then would be transferred to an online integrated portal for better planning.

“The farmers would be given an ID card after their details are uploaded online. This will also prepare the various departments to function smoothly in the post-production stage, thus benefiting the farmers,” Mr. Uppal said.

In addition to the five centres for purchase of cotton in the district, another five centres have been sanctioned by the Government, he informed. And, “amenities for farmers at these centres are to be inspected and arranged prior to their arrival,” he directed the Marketing Department officers.

Moisture in the cotton plays a determinant role for better price for the farmers, Mr. Uppal told officials.

“Cotton with moisture less than 8% would fetch better price, anything above 8% would invite a rate cut,” he said. The purchase centres would be made ready by October, he added.

Source: thehindu.com- Sept 21, 2017

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Cotton buyers flock to India

RUSH AFTER HURRICANES DAMAGE AMERICAN CROPS

THE world's top cotton buyers, all in Asia, are flocking to India to secure supplies after fierce storms in the US, the biggest exporter of the fibre, affected the size and quality of the crop, dealers said.

In the past week alone, India, the world's second-biggest cotton exporter, sealed deals to sell about a million bales to China, Taiwan, Vietnam, Pakistan, Bangladesh and Indonesia – key garment suppliers to brands such as H&M, Inditex-owned Zara and Wal-Mart Stores Inc.

That compared with 300,000 bales in the two weeks before. Dealers expect contracts similar to last week in the next few months, which could help India's exports grow by a quarter in the 2017/18 season beginning October. "Indian cotton has great chances this year," said Chirag Patel, chief executive at Jaydeep Cotton Fibers Pvt Ltd, a leading exporter. Asian "buyers are switching to Indian cotton from the US".

Hurricanes Harvey and Irma caused widespread damage to the crop in Texas and Georgia, major cotton producing states, with the effects more widespread in Texas, dealers said.

"We definitely lost cotton in Texas. It wiped out 500,000-600,000 bales," said Peter Egli, risk manager at Plexus Cotton Ltd, a Chicago-based merchant, referring to the impact of Harvey in the top-producing US state.

In 2016, the United States exported 86 per cent of its cotton, 69 per cent of which went to Asia, according to the US Department of Agriculture.

Other cotton producers like Brazil and Australia could benefit from lower supplies from the United States, but may find it difficult to match the price offered by India, where a bumper harvest is likely to keep the rates lower.

Traders in India, also the world's biggest cotton producer, signed their export deals at around 80 cents per lb on a cost and freight basis, nearly two cents lower than the supplies from the US, dealers have said.

India could soon sell at lower prices. Farmers are likely to harvest a record 40 million bales of cotton in the 2017/18 season beginning October 1, 2017, bringing domestic prices down and making exports even more competitive, Patel explained.

For the new 2017/18 season, farmers have planted 12.1 million hectares with cotton, up 19 per cent from a year earlier, farm ministry data showed. India harvested 34.5 million bales of cotton in the 2016/17 season.

Favourable crop conditions would help India sell 7.5 million bales of cotton on the world market in 2017/18 against six million bales in the previous year, said Nayan Mirani, partner at Khimji Visram & Sons, a leading cotton exporter.

Some traders believe that India's exports could surpass eight million bales if China, the world's biggest cotton consumer, steps up imports in 2017/18. Beijing, which began selling cotton from its reserves on March 6, had planned to stop the daily auctions at the end of August. But it extended the sales for an additional month after local prices rose amid tighter supply, indicating the need to replenish falling inventories.

A Mumbai-based dealer with a global trading firm company said he had received a flurry of orders in the past few weeks, especially for December quarter shipments. He declined to be identified because he was not authorised to talk to the media.

Hobbled by the rising rupee and unattractive global prices, India was struggling to sign export deals until a few weeks ago. But a recent rally in global prices made overseas sales more competitive.

Other than attractive prices, close proximity encouraged most Asian buyers to turn to India. While cargoes from the United States take about 50 days to reach Vietnam, Bangladesh and Pakistan, India can ship its cotton in two weeks.

India's new season crop will be available to buyers from October, but the supplies from the US will reach consumers only in January, said Mirani of Khimji Visram, a top exporter.

The US Department of Agriculture this week said American cotton output is seen at 21.76 million bales for 2017/18 compared with 20.55 million bales projected last month.

Source: easterneye.eu- Sept 19, 2017

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Cotton farmers face problems in selling produce, want govt's help

Farmers who have brought cotton to various grain markets of the Malwa region are facing problems due to late purchase of their produce.

They have demanded the government's intervention in the matter.

Private traders have gone on a state-level strike as the government has increased the market fee from 2 to 6 per cent on the purchase of cotton.

Around 70 per cent of farmers in the Malwa region cultivated cotton but with lots of problems, including fear of whitefly attack.

Chief Minister Capt Amarinder Singh visited Mansa last month to listen to the problems of farmers.

Due to the traders' strike that was launched today in the district, cotton could not be purchased.

Jaspal Singh Nambardar, a resident of Jodhpur Romana village, said he came here with 20 quintals of cotton yesterday but traders told him to place his produce under the sun due to moisture.

"Today it couldn't be purchased. We are left with no option but to go back," he added.

Harbans Singh, a resident of Jhumba Bhaika village, today demanded to allow them to sell it directly to factories.

Farmers said rain also damaged 5 to 7 per cent of their crop this month.

Satish Kumar Babbu, president of the Bathinda grain market, said the government had increased the market fee from 2 to 6 per cent on the purchase of cotton and its benefit would go to the spinning mills.

"We will face big loss due to which we are left with no option but to go on strike. It is a state-level decision. If the matter is not sorted out tonight after a meeting with the government then we will continue our strike," he added. District agriculture officer Gurdit Singh Sidhu said there was a minor problem at the grain market that would be solved and the purchase would start soon.

He said there was lack of awareness among farmers as the government had already allowed the sale of cotton crop directly to factories.

This season's cotton crop will be brought to the grain markets till March 2018.

Source: tribuneindia.com- Sept 19, 2017

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Over 250 exhibitors to present at textile fair Vastra

More than 250 exhibitors will showcase their products at the 6th edition of the textile fair Vastra. The 4-day international textile and apparel fair will present a fusion of the finest and latest in textile products – from fibre to fashion, services and technology. The exhibition will begin from September 21 at the Jaipur Exhibition and Convention Centre.

Rajasthan State Industrial Development and Investment Corporation Ltd. (RIICO) will organise the trade event in association with the Federation of Indian Chambers of Commerce and Industry.

The trade event will host over 300 international buyers and around 200 representatives from 100 Indian buying houses or agents, RIICO managing director Mugdha Sinha said in a press release.

One of the added attractions of Vastra 2017 will be the combination of B2C along with B2B.

First three days of the international trade event will be devoted exclusively to B2B and the last day will focus on B2C activities, involving retail sales.

This will provide simultaneous opportunities to those exhibitors who are looking to get in direct touch with the end users. The fair will establish its name to newer heights and create a unique space in the textile and apparel sectors all across the globe.

It would be a new paradigm in terms of relevance, quality and new product offerings in textiles and apparel while presenting enhanced business opportunities for all stakeholders.

The fair will be inaugurated by Union textiles minister Smriti Irani and Rajasthan chief minister Vasundhara Raje.

Source: fibre2fashion.com- Sep 20, 2017

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Working with Fin Min, NITI Aayog to resolve exporters' issues

The commerce ministry is also holding consultations with exporters to review the foreign trade policy.

Commerce and Industry Minister Suresh Prabhu today said he is closely working with the finance ministry and NITI Aayog for resolving exporters' issues to boost shipments and generate jobs.

Prabhu said that ensuring growth of exports is the priority of the ministry.

"We are working closely with exporters to address their concerns. We are working in close collaboration with the Finance Ministry to address issues of exporters.

"Addressing blockage of working capital, speeding up refunds of taxes paid by exporters and making incentives for exporters more attractive," he said in a series of tweets.

The minister added that they are working closely with NITI Aayog to devise strategic roadmap for generating employment through exports.

The country's exports recorded a double digit growth of 10.29 percent after a gap of three months to USD 23.81 billion in August, mainly on account of rise in shipments of chemicals, petroleum and engineering products.

The commerce ministry is also holding consultations with exporters to review the foreign trade policy.

These statements assumes significance as exporters have asked the government to fast-track the refund process of the Goods and Services Tax (GST) to avoid further deterioration in their "liquidity situation".

Federation of Indian Export Organisations (FIEO) Director General Ajay Sahai has said that if refund does not start flowing immediately then about Rs 60,000-65,000 crore would be stuck by the end of October.

Source: moneycontrol.com- Sep 20, 2017

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India's innerwear segment needs to harness its true potential

The innerwear market in India is segmented between men and the more fancy-driven women's and both markets are growing significantly. While the global men's innerwear segment is estimated to grow at a CAGR of 5.8 per cent to reach $13.6 billion by the end of 2024, women's innerwear is projected to grow at a CAGR of 6.4 per cent to reach $55.83 billion by the end of 2024.

Growth is boosted by organised retail penetration and increase in monobrand and multibrand outlets. But Indian manufacturers are not able to capture its true potential. The segment is growing at an estimated CAGR of 12.2 per cent.

Latent potential

A recent report by Intimate Apparel Association of India and Wazir Advisors estimates the underwear market at nearly Rs 24,000 crores and expected to touch Rs 47,000 crores, which is nearly 8 per cent of the total estimated apparel market by 2020.

The men’s underwear market is currently valued at around Rs 8,500 crore. With increasing disposable income and changing attitudes towards the category, the segment is expected to reach Rs16, 500 crores by 2020.

While many companies are setting their base in this burgeoning market, the industry is still rife with challenges. Sanjay K Jain, MD, TT, feels undergarments export is increasing but at a small pace. Innerwear market will grow consistently, and the biggest opportunity is going to come from unorganised market shifting to branded players. Growth would be coming from market expansion and shift.

Yusuf Dohadwala, CEO, Intimate Apparel Association of India (IAAI), claims the overall Indian intimate wear industry is witnessing the fastest Y-o-Y growth which is estimated at 18-20 per cent and this growth is the highest in the world.

One of the reasons for this growth is underwear is a basic necessity. This makes it almost recession proof with minimal effect from negative market trends. Although according to Jain, due to psychological impact and pipeline inventory, the Indian innerwear industry faced short-term recession due to demonetization and GST.

For Dohadwala, things are fast changing in India with consumers getting more evolved. Fashionable intimate wear is rapidly growing and taking large space in wardrobes especially for women’s category.

Exports growth concerns

Brandix, Quantum Clothing, Seeds Intimate Apparel, Pratibha Syntex, Eastman Exports Global Clothing, etc, are some companies involved in intimate wear exports. While there are others who have the capacity to be enabling exporting companies but they aren’t ready to take the route.

And as Jain points out overall competitiveness in India is an issue due to unfavourable FTAs and bilateral agreements vis-à-vis competitors like Bangladesh, Vietnam, Cambodia etc. Hence, exports are mainly limited to the Middle East and African nations, further domestic brands need to be more organised and integrated to cater to the US and Europe in a bigger way. He says both domestic and exports have enough scope but export growth would somehow depend on government policy and support.

The domestic market has over 1,000 innerwear lables. Exports from India is low but growing. However, the industry has to work at poor skills in manufacturing of value-added products or fashionable products. Therefore, at present, we can export only basics.

For value-added products, India is unable to meet the efficiencies found in China, Bangladesh, Sri Lanka, Vietnam, Cambodia, Indonesia. To be competitive, it is important to have raw material base in India, especially for lingerie segment, which is low. Hence, to export, we would have to depend on China for raw materials, increasing the lead time and which is why buyers don't aim at sourcing from India.

B Naveen, MD, BSCI certified Clifton Export, opines the only benefit of undergarment manufacturing is one does business throughout the year but the margins are low compared to other garments product and more price-competitive.

Besides, one needs specialised machines and in-house elastic manufacturing without which producing undergarments would become difficult. He further added in the last four years, Bangladesh has increased its focus on undergarment business which is again a big challenge for players like him.

Source: fashionatingworld.com- Sep 19, 2017

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Chabahar Port likely to be operational by end-2018

Chabahar Port, located in Sistan-Baluchistan province on the south-eastern coast of Iran, is expected to be operational by 2018-end. Iran will soon be sending an application for provision of credit to Exim Bank of India to provide the first tranche of loan from the $150-million credit line that India plans to start. This is required to activate the contract between India and Iran for Chabahar Port.

"Iran is important not just strategically but logistically to India," said Nitin Gadkari, Minister for Road Transport & Highways, Shipping and Water Resources, River Development & Ganga Rejuvenation.

Speaking at a conference here on Wednesday, Gadkari said the rail link could be started using the Shipping Ministry's Indian Port Rail Connectivity Ltd if Ircon has concerns.

"Using Chabahar, we can go to Russia and further to Europe by road," he said.

"We should be receiving the application in a few days, which will enable releasing of first tranche of loan," Alok Srivastav, Special Secretary, Shipping Ministry, said, adding that the port should get operational by December 2018.

The port will also serve as an important transit point for Afghanistan's cargo, said Gadkari.

Next month, there will be a business discussion, inviting various logistics partners not just from India, Afghanistan, Iran, but other global partners to invest in the free trade zone in Chabahar, the Minister added.

Source: thehindubusinessline.com- Sep 21, 2017

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Transporters yet to shrug off GST blues

Transporters are under pressure two months after the goods and services tax (GST) was imposed. The immediate problem faced by the truckers is rising diesel prices. Demand for transport is low, and haulage companies are not able to pass on rising fuel costs except on a few busy routes where freight rates have risen marginally.

"Traders and SMEs (small and medium enterprises) are yet not fully conversant with the GST, and demand is low," says Vineet Agarwal, managing director, Transport Corporation of India (TCI). TCI is among India's largest freight companies and at any point 10,000-15,000 of its trucks are on the roads.

Travel time, too, has not fallen much after the abolition of octroi with trucks still queued up at regional transport offices and toll tax plazas.

GOODS TRANSPORT RATES

Pre-GST & post-GST rates on various routes for 16 tonnes per vehicle

Route name		Jun 17	15 Sept
From	To	rental	rental
Mumbai	Ahmedabad	23,000	17,000
Mumbai	Delhi	54,000	58,000
Mumbai	Chennai	54,000	56,300
Mumbai	Bengaluru	52,000	49,600
Mumbai	Kolkata	84,800	82,800
Mumbai	Hydrabad	39,000	40,000
Ahmedabad	Mumbai	23,000	23,000
Delhi	Mumbai	32,500	30,000
Chennai	Mumbai	38,000	36,000
Bengaluru	Mumbai	27,000	26,200
Kolkata	Mumbai	49,000	43,000
Hyderabad	Mumbai	23,000	20,000
Delhi (14mt)	Chennai	67,000	67,500
Delhi	Bengaluru	64,000	65,000
Delhi	Kolkata	53,000	54,000
Delhi	Hyderabad	53,000	54,000

Note : Average truck hire price for the given months ; Source: V-trans

The industry fears large-scale job losses if small truck owners are unable to manage the emerging situation.

"The overall transport demand is down 30 to 40 per cent. The turnaround time of trucks has not improved to any significant level.

With a sharp rise in diesel prices, operating cost of truckers has also increased, but those with contractual arrangements are struggling to pass on (increased costs)," says Navin Gupta, secretary general, All India Motor Transport Congress.

Diesel prices have risen about 10 per cent since the end of June. The industry was recovering from the effects of demonetisation when the GST disruption occurred.

"In the long run, the GST will mean good business for the transport sector, but in the initial phase it poses many challenges. When the kharif harvest season approaches, demand will rise and, by that time, industrial activity will also have normalised," says Ashok Shah, chairman of V Trans India Ltd, a road transport company with an annual turnover of Rs800 crore and 650 branches.

Agarwal sees business reviving with the early festive season this year. Rising diesel prices will be passed on at a later stage, resulting in higher freight rates, he adds. But the GST's teething problems linger.

“Transporters are not able to lift goods from unregistered traders. That would require transporters to pay the GST on behalf of traders under the reverse credit mechanism. Nor they can claim credit for the GST payable on sale of old trucks or tyres,” said Shah.

The government has said transporters can opt for the forward credit mechanism where they pay 12 per cent GST but claim full input credit.

Many organised players could opt for the forward credit mechanism because it allows them to claim the full 28 per cent GST paid on trucks as input credit. “The forward credit mechanism proposal has raised fears of small operators being squeezed out,” says Shah. Several hundreds of thousands of jobs could be in jeopardy.

The freight industry has a few large players and many small transporters with up to five trucks that they rent out to aggregators. These small players do business when the big transporters need additional capacity. They might prefer to remain in the reverse credit mechanism to avoid GST compliance issues.

This could split the industry and lead to consolidation, says a source.

Source: business-standard.com- Sep 21, 2017

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