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IBTEX TEXTILE INTELLIGENCE CENTRE
INFORMATION BUREAU TEXPROCIL

IBTEX No. 260 of 2018 December 21, 2018

USD 70.02| EUR 80.26 | GBP 88.74 | JPY 0.63

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21005	43900	**79.34**
Domestic Futures Price (Ex. Gin), December		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21540	45019	**81.36**

International Futures Price	
NY ICE USD Cents/lb (March 2019)	75.06(-1.65)
ZCE Cotton: Yuan/MT (May 2019)	15,265
ZCE Cotton: USD Cents/lb	**100.64**
Cotlook A Index – Physical	**85.05 (-1.00)**

Cotton Guide: As predicted in our last report, cotton skidded on a slippery slope. The change was again a triple digit decline of (-165) for ICE March, where it touched 75.02 cents/lb at the lower end and 77.44 cents/lb on the higher end, thus settling at 75.06. It was a clear victory for the bears. Similarly, the ICE May contract settled by (-154) lower at 76.47 cents/lb. July and October contracts showed a decline of (-143) and (-123) points. The level of 75.50 is breached and now currently when we are writing this report, it is trading at 75.25 cents/lb. We should expect or target a price of 74.50 cents/lb. The market is nearing an oversold condition and a further breakdown will mean that price to decline for March towards 73.70/74 cents/lb. Cotton might take a pause near 74 level, we can take physical trade decisions accordingly.

MCX echoed the global sentiments. MCX December contract showed a skid of (-300) settling at 21,540 Rs/Bale having a trading range of 21,220 and 21,510 Rs/Bale. MCX January contract was (-300) points lower settling at 21,760 Rs/Bale. The trading range for January contract was between 21,740 and 21,460. February and March contracts also settled with (-290) and (-340) figures at 21,990 and 22,260 Rs/Bale Respectively.

The arrival figures according to cotlook were at 179,000 lint equivalent bales (170 Kg). Shankar 6 prices were even lower at 43,900 Rs/Candy. Cotlook was adjusted lower at 85.05 cents/lb by (-1.00) {CFR Far Eastern Ports}

Net upland sales for 2018-2019 were up at 142,300 Running bales (RB) from the previous week and up around 8 percent from the four week average. Increase: Vietnam 49,400 RB, Bangladesh 46,500 RB, Turkey 13,500 RB, South Korea 9,200 RB, Pakistan 6,700 RB. Reductions: Honduras 3,500 RB, China 2000 RB, Japan 500 RB. Net upland shipments figures remained static at 154,300 RB but were up around 5 percent from the four week average. The primary destinations were Vietnam 47,400 RB, China 22,900 RB, Mexico 18,000 RB, South Korea 11,700 RB, and Peru 8,400 RB. Net sales of Pima for 2018/2019 summed up to 9,600 RB. Destinations included India 7000 RB, China 900, Peru 700, Pakistan 300, and Turkey 300.

On the Technical front, ICE March futures witnessed sharp decline as it breached the crucial support of 76.50. For now 74.50 holds immediate support, if held then it could retrace towards the resistance levels at 76.20-76.50 zone. However failed to hold 74.50 could bring further selling pressure in the March futures towards 74.00 levels. Meanwhile RSI has rebounded to 35 within an hour, at 8:00 am it was around the mid 20's. A phase of weakness might persist for few trading sessions. So in a near term price is expected to trade in the range of 76.50-74.00 with sideways to downside bias. In the domestic markets trading range for December future will be 21050-21450 Rs/Bale.

Currency Guide

Indian rupee has opened 0.4% lower in early trades today to trade near 70 levels against the US dollar. The currency has weakened after nearly 1% rise yesterday amid rebound in Crude oil prices today. Also putting pressure on the currency is weakness across equity market amid global growth worries. The downside may however be capped tracking recent selloff in global crude oil prices along with general downtrend in US Dollar. The dollar index hit one month low of 96.168 yesterday amid worries that US economy may slowdown next year along with flattening yield curves. Furthermore liquidity boosting by RBI along with hawkish comment by monetary policy committee members in minutes of their Dec. 5 meeting may also cap the downside. For the day we expect USDINR to trade in a range of 69.6 - 70.4 with bias being sideways to positive.

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

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INTERNATIONAL NEWS

Trump tariff war with China sends U.S. retailers on buying binge

In the nearly 40 years she has spent in trade, Amy Magnus has never seen retailers hoarding so much inventory.

Warehouses throughout the United States are at record capacity with Chinese imports of all kinds - microwaves, vacuum cleaner filters, swimwear, furniture - stacked to the ceiling, according to Magnus, who heads the National Customs Brokers & Forwarders Association of America, whose members work with over 250,000 importers and exporters.

“My office is right on a land border and I can see the trucks just coming across non-stop from my window,” Magnus said, referring to her birds-eye view from Champlain, New York, of trade on the border between Canada and the United States.

“Even with Christmas, it’s been notably busier this week and last week than it’s ever been before.”

She is one of over a dozen customs brokers, retailers, vendors, analysts and supply chain experts who told Reuters that retailers have been stockpiling inventory from China to avoid higher tariffs that may kick in next year.

The buying binge is also evident in recent data from the National Retail Federation (NRF) and Hackett Associates, which show imports at major U.S. retail container ports surged 13.6 percent to a record 2.04 million containers in October. This helped push the U.S. trade deficit with China to a record high.

Stores including Walmart Inc, Target Corp, TJX Companies Inc and Macy’s Inc raced to buy Chinese products in September, the sources said, the same month the Trump Administration announced 25 percent tariffs would go into effect on Jan. 1 on $200 billion of Chinese imports.

The U.S. and China have since agreed to a 90-day trade war truce until March 2, but supply chain firms and vendors said this has not slowed buying or forward orders because the tariffs could still be hiked.

"We have been tactical and pulled some orders forward," Walmart spokeswoman Marilee McInnis told Reuters in an emailed statement. The other major retailers, including Target, TJX and Macy's would not comment for this story on the part tariffs played in their approach to buying inventory this year.

The strategy could mean heavy discounts for shoppers next year if retailers are stuck with an overhang of unsold merchandise. Already, it has driven up transportation and warehousing costs, which is adding pressure to quarterly results for retailers, according to the sources.

The question is whether stores absorb the added costs or pass them on to customers.

"More likely than not, the retailer will take them so the consumer doesn't have to," Jonathan Gold, the NRF's head of Supply Chain and Customs Policy. Gold said he "definitely" expected higher inventory and logistics costs to continue into the first quarter as retailers rush to meet the March 2 deadline. The NRF works with about 18,000 member retailers.

"A lot of people are competing for space right now so you're going to have some retailers hurt as a result."

"

The surplus signals a stark change from last year, when retailers and department stores were ordering less product and in smaller batches to keep inventory costs down. Retailers have for years been struggling with declining holiday foot traffic, and larger inventories weigh on balance sheets.

"It's very rare that retailers would commit to more inventory in advance," said Neil Saunders, managing director of consultancy GlobalData Retail. "If they don't manage to sell their holiday inventory, we'll see a real glut of it, and some discounting, in the new year."

Storage is "full to bursting" as a result of retailers' holiday inventory, plus the additional stocks retailers have been buying for 2019, Saunders said, and retailers are paying more for storage due to a shortage of warehousing across the country.

"Our warehouse is packed with stuff," said Mike Abt, co-president of Chicago-based appliance and furniture store Abt Electronics. "Air-conditioners are just piled up in random places where they shouldn't be because we're running out of room. And we did that in anticipation of 15 percent more price increases."

Abt said its 450,000-square-foot warehouse in Glenview, Illinois had about 10-12 percent more inventory – mainly microwaves and air-conditioners - than it usually has during the holiday season.

Joe Shamie, CEO of furniture vendor Delta Children, is having the same problem. He has had to rent out two extra warehouses and pay "much higher" costs to ship cribs, kids beds, and tables from China. His customers include Walmart, Kohls Corp, Wayfair Inc and Pottery Barn.

Source: reuters.com- Dec 20, 2018

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2018: A Timeline of Trump-Induced Tariffs

What started as steel and aluminum tariffs, which President Trump employed as a matter of threatening national security in hopes of helping to Make America Great Again by correcting its trade deficit with other nations, devolved into a full-blown trade war with key powerhouse economies involved.

First to respond to Trump's metal tariff was China, which levied roughly $3 billion worth of tariffs on U.S. products, which will impose 15 percent tariffs on some products, like fresh fruit, wine and steel pipes, designed as a hit to U.S. farmers and those in largely Trump-supporting steel states.

Then came Trump's first tranche of China tariffs, $50 billion worth on more than 1,300 tariff lines, imposing new tariffs on things like: textile printing machinery, carding machines for preparing textile fibers, textile spinning machines, machinery for producing textile yarns, weaving machines, circular knitting machines, flat knitting machines, embroidery machines, spindles and sewing machines—and many of the parts that go into operating those machines.

From there, China hit back with $50 billion in tariffs on U.S. goods, including uncombed cotton and cotton linters.

When Trump extended his steel and aluminum tariffs to include the European Union, Canada and Mexico (which were previously exempted), the EU's response came in the form duties on 2.8 billion euros ($3.3 billion) worth of U.S. products, including 25 percent tariffs on T-shirts made of cotton, wool or other textile materials, and men's, boy's, women's and girl's cotton denim trousers and cotton shorts.

Tranche two came as Act II of the first $50 billion in China tariffs, removing some items of the initial 1,300-strong list and adding others.

And it was more of the same after that: China retaliated, Canada stepped in with its own tariff-fueled response, and Trump dropped tariffs on another $200 billion worth of goods from China. This time, cotton and nearly all things related to textile production (cotton yarn, cotton sewing thread, cotton woven fabric, cotton waste) were fated to face new 10 percent tariffs. Nylon yarn, polyester yarn, woven and nonwoven fabrics, lace, leather and tulle made the list. Apparel and clothing made of plastic and furskins also took a hit. That was tranche three.

The threats didn't stop there either. China responded with another $60 billion in U.S. goods tariffs and Trump said he'd raise the 10 percent tariffs on the $200 billion worth of goods to 25 percent, and possibly even slap tariffs on the remaining $267 billion worth of goods the U.S. brings in from China—which would include apparel, textiles and footwear.

At the Sourcing Journal Summit in New York in October, trade experts said there'll be more tariffs ahead.

"Tranche 4 is coming," said Steve Lamar, executive vice president of the American Apparel and Footwear Association. "The president has, on multiple occasions, indicated that if the Chinese retaliate on the previous tranches, he will retaliate with the rest of trade…He's promised this a number of times and the Chinese have retaliated, so it's up to the president to decide if he's going to carry through with that, and we believe that he will."

Since then, the high tensions have abated somewhat, with a recent meeting between Trump and Chinese President Xi Jinping resulting in a 90-day truce on trade that would see any changes to tariffs halted until the two sides can perhaps come to some sort of satisfactory agreement.

However, many believe that at the end of that three-month period, the industry will be met with more of the same: uncertainty and added tariffs.

“Companies should be using this 90-day period to reevaluate, rethink and renew their strategic sourcing to protect themselves going forward,” Gail Strickler, president of global trade for Brookfield Associates, LLC wrote in a recent article.

If you had as difficult a time as we did keeping track of what happened with tariffs when, scroll through the timeline below for a brief history of 2018 in tariffs.

Source: sourcingjournal.com- Dec 20, 2018

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China's foreign trade achieves 'miracle growth' over past 40 years

In the past 40 years of reform and opening up, China’s foreign trade has increased 198 times to become one of the most important forces driving growth in world trade, said Zou Zhiwu, deputy head of the General Administration of Customs on Thursday.

Every five minutes some 290 million yuan ($42 million) worth of goods pass through China’s customs while four international cargo ships leave or arrive and nine international flights arrive or depart from the country, all of these being signs of booming foreign trade.

China’s foreign trade has experienced “miracle growth” over the past 40 years as annual growth averaged 14.5 percent while the proportion in the world trade improved from less than 0.8 percent to over 11 percent today.

China’s export market share of 1,400 products ranks first in the world, providing nearly 200 million job opportunities directly or indirectly, it was added.

Quality is also improving as China's foreign trade expands in size, said Zou.

Mechanical and electrical products replaced textiles and clothing in 1995 to become the top major category in export commodities, indicating China's transformation from exporting labor-intensive to capital-intensive products.

At the same time, private companies have also risen to become major players in China's foreign trade with an annual growth rate of 12.8 percent from 2008 to 2017.

Source: ecns.cn- Dec 20, 2018

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Pakistan NTU joins B&R World Textile Universities Alliance

The National Textile University (NTU) in Pakistan's Faisalabad joined as a founding member of the 'Belt and Road World Textile University Alliance' at the World Textile and Fashion Education Conference held recently in Donghua Universityin Shanghai.

The alliance includes 38 textile universities from 27 countries. The three-day conference ended on December 11.

Donghua University president Jiang Changjun said the countries participating in the alliance cover 60 per cent of the world population and 35 per cent of the world gross domestic product, according to an NTU release.

The major objectives of this alliance are capacity building, collaborative research and degrees, trainings, scholarships, students and faculty exchange.

Donghua University will build a Belt and Road (B&R) research centre for the faculty and students from member countries. Funding will be provided to researchers from the B&R countries to carry out projects in their own country or at the research centre.

A research lab will be established at NTU under this initiative.

Source: fibre2fashion.com- Dec 21, 2018

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Vietnam: Promoting growth of garment and textile exports

INDO - Vietnam's garment and textile sector posted a total export revenue of approximately US$36.1 billion in 2018, an increase of US$2 billion over the yearly estimate despite increasingly fierce competition and geopolitical fluctuations in the world, particularly rising trade protectionism.

The result demonstrates the ceaseless efforts of enterprises in seeking and expanding markets, applying advanced technology in enhancing quality of their products, and improving their competitiveness.

Stable sources of orders

The number of orders won by Vietnamese garment companies is abundant, creating stable job and income for labourers. According to Chairman of the Board of Directors of Hung Yen Garment Corporation (Hugaco) Nguyen Xuan Duong, Hugaco reported an export revenue of around US$310 million in 2018, up 8% over the yearly estimate in spite of tough competition from Bangladesh, Cambodia, Indonesia and India.

Duong noted that Hugaco's subsidiaries have also won bulk orders to export products by the end of April and even by the end of June 2019. However, he expressed his worry about the trade war between the US and China which may affect the Vietnam's garment and textile industry.

As one of the largest garment firms in the southern province of Dong Nai, Dong Nai Garment Corporation (Donagamex) posted a growth rate of over 10% in 2018 and an export revenue of US$70 million. According to Donagamex General Director Bui The Kich, the company carried out a number of solutions to maintain established markets and expand into new ones, including investing in modern technology to increase productivity and ensure the competitiveness.

Kich said that Donagamex received orders to be completed by the end of the second quarter of 2019, noting that, with positive signs from the world market and the Vietnam’s participation in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the garment and textile sector will not worry about order shortage in 2019.

Executive Director of the Vietnam National Textile and Garment Group (Vinatex) Cao Huu Hieu affirmed that the export revenue of Vietnam's garment and textile industry was estimated at US$36.1 billion in 2018, up 16.1% over 2017. A large number of garment companies have received orders for the end of the second quarter of 2019 and the entire 2019, Hieu noted.

Vietnam has been one of the leading garment and textile exporters to the US market for many years and Vietnam is the second choice for US apparel importers, after China. Meanwhile, Vietnam has yet to be able to compete with other rivals in the EU market because other competitors, such as Bangladesh and Cambodia, are offered tariff incentives without meeting any conditions of origin. If Vietnam can take advantage of the EU-Vietnam Free Trade Agreement (EVFTA) in the future, it will be able to gradually penetrate into the EU market.

Chairman of the Binh Duong Textiles Association Le Hong Phoa said that business situation of local garment enterprises in the province in 2018 is very optimistic and most of enterprises have fulfilled their production targets.

The total export revenue of the garment and textile sector in the province reached US$2.65 billion, an increase of 16.8% compared to 2017. This is a good sign, showing that enterprises have grasped the opportunities and adapted well to the changes of the market economy. Notably, the number of apparel importers from the US and the Republic of Korea (RoK) placing orders to Vietnam has sharply increased recently.

Utilising opportunities

Vinatex Executive Director Cao Huu Hieu affirmed that when participating in CPTPP, Vietnam's garment and textile sector will have opportunities to open its market and gain access to non-traditional textile and garment markets such as Canada and Australia.

Canada's textile and garment import turnover reached US$13.86 billion in 2017, including US$814 million worth of imports from Vietnam, accounting for 5.9% of the total Canadian market share.
Vietnam's garment and textile export revenue to Australia posted at merely US$256 million in 2017, occupying only 2.8% of Australia's total imports of garments and textiles, Hieu noted.

Enterprises in this field are expect to boost their exports thanks to reduced tariffs and boosted investment in supporting industries.

However, garment and textile companies have to face a lot of challenges to enjoy tariff incentives, such as stricter requirements on the proof of origin, business declaration, and record and document archives, in addition to competitive pressure from foreign direct investment (FDI) enterprises.

To penetrate into textile markets of CPTPP member countries, Vinatex has focused on boosting trade promotion and relations with customers while avoiding unnecessary costs. At the same time, the company focuses on increasing its self-control in raw materials and accessories, Hieu stated.

According to Bui The Kich, to take advantage of CPTPP, businesses should continue to invest in automated equipment to replace labourers and increase productivity and product quality.

The CPTPP, without the US, has also opened up new markets for Vietnamese firms such as Canada, Australia and several South American countries which have great demand for garment and textile products, Kich said. However, to overcome the challenges and make good use of opportunities from CPTPP, state management agencies should continue in administrative reforms, reduce the specialised inspection of import and export goods, and cut transportation costs to support enterprises, Kich added.

Meanwhile, Nguyen Xuan Duong warned that the garment and textile growth rate in the coming years will not be as good as in 2018 due to increasing competition and trade protection trend, particularly from the US.

Hieu said that businesses need to step up their investment and production solutions to continue to gain market shares from their biggest rival China and other rivals in the established markets. Regarding non-traditional markets, companies needs to take advantage of the CPTPP to penetrate into these markets, including the two potential markets of Canada and Australia. In addition, they need to solve the existing problems of exchange rates, inventory, orders, and others.
Enterprises are advised to invest in modern technology, enhance corporate management, improve working conditions, increase labour productivity and product quality while ensuring delivery time and prices of products to boost their competitiveness in the market.

In addition, the State should develop mechanisms of support for enterprises in the areas of finance, tax and land and work out specific measures to encourage the development of supporting industries. Authorities also need to develop raw-material areas to serve the garment and textile industry as well as continuing in administrative reforms to facilitate enterprises in this area.

Source: en.nhandan.org.vn- Dec 20, 2018

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Pakistan: Textile exports: quantity up, value down

If anyone had posed the question “What is the surest way to increase textile exports” a year back, most industry players would have cited rupee devaluation. Yet the rupee has devalued and even more than many had hoped for (30 percent CYTD) but the promised surge still eludes us.

The latest numbers by the Pakistan Bureau of Statistics show overall textile exports showed zero growth in the 5MFY19 period on a yearly basis while the performance for Nov-18 also remained sub par.

Knitwear continues to be the star performer of the textile group in terms of growth and registered an increase of 11 percent in the 5MFY19 period and managed to post decent growth in Nov-18 as well. But that is where the growth story ends.

Broad based growth remains elusive with lesser value added segments which mainly include cotton yarn and cotton cloth witnessing lower international demand particularly from China.

The trade war between the US and China has affected Pakistan’s yarn exports to China which has led to cotton yarn exports nose diving by 30 percent in Nov-18 while the first five months saw a dip of 15 percent on a year-on-year basis.

But that is not the only way the global trade environment is having an impact on Pakistan’s textile exports. The global apparel market has become a buyer’s market and this shows when one compares the export volumes to value. For example, readymade garments witnessed a surge of 20 percent on a quantity basis in the 5MFY19 period but the value registered negligible growth during the same period.

Local players are picking prices at lower orders to compete with Bangladesh and Vietnam firms where the influx of American companies who are looking to shift production is increasing due to the trade tensions between the US and China.

The focus on value added segments is there but in order to fetch more value for exports, Pakistan textile exporters also need to enhance the quality of their products. While for bigger players this might not be an issue, the SME segment certainly needs to add more value to their current product offerings.

The exchange rate volatility has also rendered exporters unable to quote a yearly price for products as given the current currency predicament it is hard enough to even give prices for the next three months to foreign buyers.

There is also the fact that most value added segments utilise a large proportion of imported raw materials in their due to higher input costs but the rupee devaluation also means that export prices also fall. Add to this, the cut throat competition in the global apparel markets and the result is a fierce battle to boost volumes to gain market share.

Source: brecorder.com- Dec 20, 2018

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NATIONAL NEWS

Textile exports rises to US$ 35.67 billion in 2017-18

Textiles expects target fixed at US$ 47.29 billion in 2018-19
The exports of textiles item has increased to US$ 35.67 billion in 2017-18. Government has fixed export targets for textile and apparel including handicrafts for 2018-19 at US$ 47.29 billion.

Government is aware about global demand for textiles and apparel from India. To enhance exports of textile and apparel products, Government has announced the Special Package for garments and made-ups sectors.

The package offers enhanced duty drawback coverage under Rebate of State Levies (RoSL) Scheme, labour law reforms, additional incentives under ATUFS, and relaxation of Section 80JJAA of Income Tax Act.

The rates under Merchandise Exports from India Scheme (MEIS) have been enhanced from 2% to 4% for apparel, 5% to 7% for made-ups, handloom and handicrafts w.e.f. 1 November 2017.

Products like fibre, yarn and fabric in the textile value chain are being strengthened and made competitive through various schemes, like Powertex for fabric segment, Amended Technology Upgradation Fund Scheme (ATUFS) for all segments except spinning and Scheme for Integrated Textile Parks (SITP) for all segments.

Assistance is provided to exporters under Market Access Initiative (MAI) Scheme. Further, Government has enhanced interest equalization rate for pre and post shipment credit for certain textile sectors from 3% to 5% from 2 November 2018.

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

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Falling crude oil price to boost margins of synthetic textile manufacturers

Synthetic textile manufacturers are set to see their profit margins improve in the January–March quarter, due to a sharp fall in the price of crude oil, the key raw material used extensively to produce industrial inputs like man-made fibre, yarn, fabric and textiles.

Brent crude oil prices have risen by 22.5 per cent to $86 a barrel in October from the level of $66.72 a barrel in March. Brent has declined by 37 per cent from its peak to stabilise at this year's low of around $60 a barrel in December, resulting in huge volatility following political instability in Saudi Arabia and a cut in output from Opec members.

Experts believe that the volatility has disrupted the business strategy of synthetic textile makers more than any other factor, including the ongoing working capital squeeze, resulting in weak financial performance across the sector the past few quarters. But the profit margins are set to begin improving from the later part of March 2019 quarter with its full reflection June quarter onwards.

Synthetic textile industry on a cusp of turnaround over rupee slide

"Crude oil prices are back to the level from where they started moving up a few months ago. In between, they went up by around 35 per cent, which damaged the industry in terms of business strategy. With crude prices at normal levels, things are gradually stabilising. High crude oil prices would have hurt the synthetic textile business badly. At current prices, however, things have started stabilising with its impact in January–March quarter onwards," said O P Lohia, Managing Director, Indo Rama Synthetics (India) Ltd.

IN NUMBERS (Figures in ₹/mn)

	Net Sales				Net Profit			
Company	Q1FY19	%Chg*	Q2FY19	%Chg	Q1FY19	%Chg*	Q2FY19	%Chg*
Century Enka	4,058.7	20.3	4,790.8	56.4	224.5	268.0	232.3	28.1
SRF	17,177.9	35.0	18,815.7	48.2	1,338.4	28.9	1512	47.1
JBF Inds.	8,743.2	-9.7	8,677.8	10.6	-495.7	291.5	-4,323.5	
Sumeet Inds.	2,590.4	-13.7	2,141.3	-25.7	-56.5		-256.5	
Filatex India	7,044.3	63.7	7,183.3	73.3	201.4	40.5	202.5	49.8
Indo Rama Synthetics	3,555.4	-40.1	3,944.1	-36.2	-292.0		-326.2	

*Change YoY Source: Capitaline Compiled by BS Research Bureau

Volatility in crude has impacted the financial performance of synthetic textile manufacturers in the last two quarters of the current financial year. Indo Rama, for example, posted a net loss of Rs 326.20 million on a total income of Rs 3,955.9 million in the September quarter. The company has been incurring losses for the several quarters in a row.

Similarly, JBF Industries posted losses of Rs 495.7 million and Rs 4,323.5 million in the June and September quarters, respectively.

"Crude oil prices have been increasing consistently over the last few months. In addition, the rupee has been depreciating rather rapidly. Both these factors pose a double whammy for fuel inflation in India," said Madan Sabnavis, Chief Economist, Care Ratings.

While the increase in crude prices tends to affect fuel prices in India, rupee depreciation against the dollar also exerts pressure on these prices. Thus, there is a two-fold impact on domestic fuel prices.

Crude oil is the major raw material for synthetic textile manufacturing. Prices of man-made fibre (MMF), yarn and fabric move in tandem with the movement in crude prices. While upsurge in crude impacts synthetic textile inputs with a lag of a month or even more, its decline affects demands as consumers await a price cut of final products.

Source: business-standard.com- Dec 21, 2018

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Now, China looks to India as key market

As its trade war with the U.S. intensifies, China has started looking at India as a major market to sell its products and machinery. However, Indian companies want China to share its technology and even partner with them in its growth story rather than treating India purely as a market of its products.

Over 100 Chinese firms displayed their products and solutions at an exhibition in Mumbai this week. It was claimed to be one of the biggest exhibitions of Chinese products in India, indicating growing engagement of China with India.

"We [India and China] are in a better time today and increasing economic exchanges. We are not only bringing home appliances but also getting machinery products to India," said Tang Guocai, Consul General of China in Mumbai.

To a question, Mr. Guocai said: "We are in a globalised world. There are different crisis in different regions in different times. As far India and China are concerned, it is a better time for cooperation." On the issues of trade imbalance, he said: " We are now seeing growing imports from India, mainly agriculture products, pharmaceuticals and manufacturing.

"More Chinese manufacturing companies coming to India. From a competitive background, the situation is changing. Both the leaderships of India and China are determined to bring the two countries closer."

Focus on manufacturing

However, Vandan Shah, co-chairman, CII western region, said: "The Chinese firms have come here to expand their market but we should not be only focussing on buying. We should rather focus on how to manufacture these products by borrowing the newer technology, machinery and trends from China."

"We don't want to make the machinery. We actually want to sell those parts in the U.S. and Germany which the Chinese are already selling. So, we want to partner with such manufacturers as extra duties are now being levied on them. So let the Chinese become our marketing partners," he said.
He said the Chinese companies should now consider investing in Indian companies on a profit-sharing mode.

India and China's bilateral trade is approximately $85 billion out of which India's exports are about $13 billion.

Source: thehindu.com- Dec 20, 2018

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Indian firms seek business opportunities in VN

India is strong in fibre and yarn production and Việt Nam is dependent on import of feedstock for its textile industry, and so they could both benefit by co-operation, a business interaction event heard in HCM City on Wednesday.

K Srikar Reddy, the Indian consul general in HCM City, said Việt Nam and India are among the top five exporters of textiles and clothing and their interests converge.

Vietnamese textile exports topped US$31 billion last year but it also imported $19 billion worth of inputs, especially yarn and fabric, he said.

In the year until March 2018, India's exports were worth $36.73 billion. Under the India-ASEAN Free Trade Agreement, most types of yarns and woven and knit fabric could be imported duty-free from India starting next month.

Dilbagh Singh, chairman of the Indian Business Chamber in Việt Nam, said India has a strong fibre and yarn industry that produces almost all kinds of fabric and supporting materials, making it one of the three largest textile products providers in the world.

"Promotion of co-operation in the garment and textile sector between Việt Nam and India will pave the way for enterprises of both sides to optimise their strengths and advantages. Việt Nam will benefit from more materials, technology and equipment for production, while India can expand its market."

Phạm Xuân Hồng, chairman of the HCM City Association of Garment Textile Embroidery-Knitting, said Việt Nam is an ideal destination for investors in view of its competitive labour costs and incentives to the textile and garment sector.

"Việt Nam offers opportunities to Indian companies to set up textile and garment production units to benefit from the competitive advantages of the country's FTAs and labour force."

In return, the Vietnamese industry can access to a supply source of yarn, textiles and machinery and upskill its labour force, he said.

Organised by the India consulate, the event attracted the participation of a 15-member delegation from the Confederation of Indian Industry (CII), Tiruppur, visiting Việt Nam to explore investment opportunities.

The CII delegates also visited Vietnamese textile companies in Cần Thơ and Đồng Nai and discussed investment opportunities.

Source: vietnamnews.vn- Dec 21, 2018

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Maharashtra govt approves changes in textile policy

The Maharashtra government Thursday effected changes in its textile policy which is expected to accelerate growth and expansion of the key industry.

The changes were approved by the state Cabinet at its meeting here.

State Cooperative, Marketing and Textile Minister Subhash Deshmukh said according to the changes, the order for the purchase of machinery has been given the option of taking long-term loan sanctioned or self-financed projects in the textile Policy 2011-17 or in the Textile Policy 2018-23.

"Maharashtra's textile industry policy for year 2018- 23 has been announced considering the importance of textile industry.

"In this regard, directives have been issued to improve the apparel sector by banks and textile companies. Accordingly, it was decided to make four such significant improvements in this policy," Deshmukh said.

He said if the existing textile project set up 10 per cent or more machinery (the book value of machinery) than the previous financial year, their investment will be considered as an extension and diversification or modernisation.

This extension or diversification, modernisation will be forward or backward (forward backwards), the textile minister added.

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

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Textiles Minister Smriti Irani Gives Away Handicrafts Export Awards

Union Minister of Textiles, Smriti Zubin Irani, presented awards to handicrafts exporters for their outstanding performance in exports for the year 2015-16 and 2016-17 at a function at India Expo Centre & Mart in Greater Noida, Delhi NCR, on 18 December.

Minister of State for Textiles, Ajay Tamta and Development Commissioner [Handicrafts],Shantmanu, were also present on the occasion. The awards for outstanding performance of handicrafts exports were given under different categories to 136 exporters. 70 awards were given for the year 2015-16 and 66 awards were distributed for the year 2016-17 during the ceremony.

Speaking on the occasion, Textiles Minister said that export awards always inspire the artisans to make better quality products and encourage others to make greater efforts so that they may win the award the following year.

She further said that this healthy competition keeps the momentum going not only for the individual but also paves the way for the country to earn foreign exchange thereby creating a brand image of millions of artisans and craftpersons engaged in making world class products across different craft clusters in the country.

The Textiles Minister applauded the performance of the Export Promotion Council for Handicrafts (EPCH) for being the best in the business and doing excellent work since its inception in every field whether it is setting up of infrastructure facilities in craft clusters, creating brand image of handcrafted products worldwide and helping exporters in innovating new designs and styles.

She also appreciated EPCH for starting a diploma course for the children of the artisans working in the handicraft sector and urged EPCH to start an award scheme for those exporters who help the artisans in need and also contribute to their upliftment.

The Minister thanked the EPCH for its efforts in contributing towards the education of girls of leprosy affected families.

EPCH, O.P. Prahladka, said that in order to explore and foray into emerging and new markets, the Council recently participated in a show in West African Market of Nigeria at Lagos. Further, EPCH is making presentations to various industry associations and chambers in Lagos so as to encourage Nigerian designers to source their requirements of home, lifestyle, fashion, furniture and textiles products from India.

The handicrafts exports during the year 2015-16 was to the tune of Rs. 21,557.12 crores which touched Rs. 24,392.39 crore in 2016-17 with an overall increase in exports of 13.15% in rupee terms and 10.52% in dollar terms.

The handicraft exports during 2018-19 went ahead to the tune of Rs. 16,825.75 crore during April-November, 2018-19.

Source: portwings.in- Dec 19, 2018

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Manipur to host world bamboo workshop next year: Minister

Manipur will host the 'World Bamboo Workshop', 2019 under the slogan, 'Breaking the challenges of bamboo for a better future' from February 4 to 8 next year, said P. Vaiphei, Principal Secretary (Textiles, Commerce and Industries).

He made the above announcement in a joint review meeting of the Directorate of Trade Commerce and Industries and the Directorate of Handloom and Textiles.

Presenting a detailed account of varied activities, achievements and issues of the two directorates in the presence of Chief Minister N. Biren Singh, he said "Chief Ministers of all the North East States would grace the opening function of the workshop."

Besides, he said that the efforts are being made to revive Jiribam Tea Estate having a total area of 1100 acres.

In addition, Manipur Industrial Development Corporation Limited (MANIDCO) has submitted an estimate of Rs. 194.10 lakh for boundary fencing of the estate to check illegal encroachment, he added.

Vaiphei further informed that the State Government has received approval in principle from the government of India regarding seeking loan from NABARD for the construction of warehouses in Bishnupur, Churachandpur, Ukhrul, Imphal East and Tamenglong districts.

On the other hand, Ministry of Textiles has approved in principle to develop Handloom Park at Thongju in Imphal East District at Rs.9.04 crore.

Chairing the meeting, Chief Minister directed the officials concerned to take up necessary steps to use garments manufactured in the state only in stitching of school uniform from the next academic session.

Also, he asked the officials of the department to present a detailed presentation of the present status of the government's plan on the revival of Loitang Khunou Spinning Mill in the next meeting.

He also instructed them to come up with the total project cost, number of jobs to be created by the project, types of machineries to be used etc.

He also directed to convene a meeting on December 29 to discuss the present scenario of Indo-Myanmar trade at Moreh.

Source: knnindia.co.in- Dec 20 2018

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