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IBTEX No. 217 of 2018 October 22, 2018

USD 73.22| EUR 84.29 | GBP 95.71 | JPY 0.65

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
21656	45300	**78.86**

Domestic Futures Price (Ex. Gin), October

Rs./Bale	Rs./Candy	USD Cent/lb
22760	47609	**82.88**

International Futures Price

NY ICE USD Cents/lb (Dec 2018)	77.92
ZCE Cotton: Yuan/MT (Jan 2019)	15,275
ZCE Cotton: USD Cents/lb	**85.00**
Cotlook A Index – Physical	**87.25**

Cotton Guide: Indian Cotton price for S-6 in October has surged from Rs. 45000 per candy ex-gin to top near Rs. 47,500 per candy. Likewise, J-34 has traded in the range of Rs. 4400 to Rs. 4600 per maund. However, market has been very volatile. Despite the arrival season the price surge and the only major reason is the pace of flow of arrivals have been very slow. In fact arrivals have been delayed by almost 15 to 20 days. Therefore, so far in October the average daily arrivals would be less than 50,000 bales. The effect is felt on the future price too. The October future ended the week at Rs. 22780 down by Rs. 100 from the previous week's close but it had made a weekly high of Rs. 23300 per bale. Nonetheless the future contracts have been very volatile these days at it is taking cues from both spot market in India as well as future cues from ICE movement.

Coming to global trend, ICE future ended the week for December at 77.92 cent down by 45 points from the previous week's close. The other months settled from 6 to 14 points higher. Weekly changes ranged from 41 points lower to 24 points higher. China's ZCE cotton futures didn't swing much but settled one percent lower for the week.

The weather has played a very important role this season. There has been incessant rain in the US post the hurricane Michael poured into the country. Many crop growing regions have been affected especially Georgia. In the meanwhile the wide open crops which are ready for classing in West Texas region is also being affected from the rain. This is likely to have crop deterioration in the US. Earlier there were estimates of better crop and better yield this season however now it is likely to have a very different perspective. Nonetheless, with so much of rain and now uncertainty over the supply the price is not getting impact yet. There are early estimates that US cotton crop production might decline over 1 million bales from the earlier projected by USDA in its latest report in October. The ICE future continues to trade in the same band of 76 to 80 cents for the past few weeks. This means the drivers are also from the demand side of the market. The two out of three major markets are quiet from buying. The US exports forward bookings are declining, China and US trade war continues to weigh on market.

FX Guide:

Indian rupee has appreciated by 0.1% to trade near 73.25 levels against the US dollar. Rupee has benefitted from some stability in equity markets. Gains in Chinese equity market today have led to some improvement in risk sentiment. However, weighing on market sentiment is global economic uncertainty and geopolitical tensions. US-Saudi tensions intensified further after Riyadh confessed that Jamal Khashoggi, a critic of Crown Prince Mohammed bin Salman, died after an altercation in Turkey. Global economic concerns are high amid rising interest rates, trade war worries and slowdown in China. Rupee has also benefitted from recent correction in crude oil price. Brent is trading near $80 per barrel levels as US-Saudi tensions and Iran sanctions are countered by higher US supply and demand uncertainty. However, weighing on rupee is Fed's rate hike stance. Raphael Bostic, president of the Federal Reserve Bank of Atlanta, the steady pace of US economic growth is consistent with the central bank's plan to continue gradually lifting interest rates. Central bank efforts to stabilize rupee has resulted in drop in reserves. As per latest RBI data, Forex reserves fell by $5.14 billion during the week ended October 12 to $394.46 billion. The last time reserves fell by more than $5 billion in a week was in November 2011. Rupee may witness mixed trade as support from lower crude oil price will be countered by weaker risk sentiment. USDINR may trade in a range of 73-73.55 and bias may be on the upside.

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

Indicative Prices of Overseas Ring Spun Cotton Yarn in Chinese market:

Indicative Prices of Cotton Yarn in China Date: 21/10/2018 ***Prices in US$ FOB***		
Country	**20s Carded**	**30s Carded**
India	2.80	3.10
Indonesia	2.56	2.85
Pakistan	2.31	2.70
Turkey	3.20	3.45
Source: CCF Group		

China yarn

Yarn market sustained the weakness on the whole. Price of cotton yarn and polyester yarn continued dropping while that of rayon yarn and blended yarn remained stable.

International yarn

In the cotton yarn market, spinners in Pakistan report low demand from local and international buyers.

Bangladesh's garment manufacturers were seeing a recovery of orders from international buyers following improvements to safety procedures.

China's textile and apparel exports showed robust year-on-year growth during the first nine months of this year.

Source: CCF Group

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INTERNATIONAL NEWS

How Trump's trade war with China could backfire

This is an uncertain moment for global trade. Longstanding agreements between the United States and its biggest trading partners have been called into question by President Donald Trump. The United Kingdom is working to disconnect itself from the European Union.

Look more closely, however, and another, less-told story appears. Trade among emerging economies, with China often serving as the anchor, has been rising sharply. The world is not standing still.

We estimate that goods trade between emerging economies, both with China and not, encompasses 20% of the value of all global trade, up from 8% in 1995. Trade between China and other emerging economies has risen 11-fold in that time, while trade among emerging economies not involving China has risen six-fold.

China runs a big trade surplus of $170 billion with emerging economies, although this is starting to shrink. Its share of labor-intensive manufacturing exports from emerging economies peaked at 56% in 2014. That shrunk to 53% in 2016 because of rising production costs.

Other emerging-market countries have been able to fill the gap left by China in labor-intensive manufacturing, including products such as textiles. Some have put reliable infrastructure and business-friendly investment conditions in place. Some countries have specialized.

Vietnam has been the biggest beneficiary of this shift, through rapidly growing exports of electronics, among other things. In India, the fastest-growing manufacturing sectors include furniture-making, automotive and pharmaceuticals.

Ethiopia, Rwanda and Vietnam have grown their textile exports rapidly, posting annual growth by more than 15% in the past five years. Bangladesh has also become a leading textile exporter — the sector employs about 5% of the labor force there.

China, for its part, wants to increase its share of R&D and capital-intensive production, ceding some growth in labor-intensive production. Wages in China have been rising — and that has allowed emerging economies with lower wages to better compete.

This trend, if it endures, is good news for low-cost, labor-intensive manufacturing in emerging economies. Manufacturing has long been an essential pillar of development, creating jobs and economic growth. Ethiopia, for example, increased manufacturing employment by almost 10% annually between 2000 and 2010.

It's an economic tenet that, eventually, manufacturing employment peaks as countries reach a higher stage of development. In recent years, that peak has been happening earlier than it used to. Harvard economist Dani Rodrik has dubbed the phenomenon "premature deindustrialization."

Nonetheless, our analysis suggests there is still room for manufacturing going forward in emerging economies. Moreover, the growth of trade between emerging economies, including China, creates a strong position for China itself. In the years ahead, China, now the world's second-largest economy and growing faster than the United States, can become the center of an expanding trade ecosystem.

But trade can also continue to help other, smaller emerging economies grow. We studied the per capita GDP of 77 countries over half a century. We found that countries that raised their share of the global trade of goods have done significantly better than those that did not.

Indeed, for the 18 outperforming countries, the share of trade inflows and outflows rose from just 7% in 1980 to 29% in 2016. That 22 percentage-point increase is matched by a 22 percentage-point decline among outflows and inflows of goods in high-income countries in the same period.

Our research also shows that the top-performing companies from those 18 countries made a clear priority of trade and global expansion. The bottom line is that trade works — it helps lift emerging economies and their businesses.

Source: wthitv.com- Oct 20, 2018

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US Takes Aim at China in WTO, Escalating Stakes of Trade War

The U.S. asked the World Trade Organization to investigate possible violations related to China's intellectual property policies, a point of contention for President Donald Trump that's served to justify his ongoing trade war.

The move escalates the conflict between the world's two largest economies and sets the stage for the Geneva-based trade organization, which itself has been a target of Trump's ire, to decide if China's policies are illegal. The U.S. has already imposed tariffs on $250 billion worth of Chinese products and has threatened duties that would more than cover all imports.

The U.S. complaint says that various Chinese regulations violate the terms of the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights, which sets international norms for such policies. The WTO dispute settlement body will consider the U.S. request at its Oct. 29 meeting in Geneva.

China "appears to be breaking WTO rules by denying foreign patent holders, including U.S. companies, basic patent rights to stop a Chinese entity from using the technology after a licensing contract ends," according to the U.S. complaint. "China also appears to be breaking WTO rules by imposing mandatory adverse contract terms that discriminate against and are less favorable for imported foreign technology."

WTO rules prohibit its members from providing less favorable treatment to foreign entities than the comparable treatment of domestic entities. A request for the establishment of a WTO dispute panel marks the second step in dispute proceedings.

Under WTO rules China can block the initial request for the establishment of a WTO dispute panel but cannot do so a second time, which means the WTO inquiry could begin as soon as next month.

Source: sourcingjournal.com- Oct 20, 2018

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It's a tough time for trade. But emerging economies are moving ahead

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Source: wtva.com- Oct 20, 2018

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Shanghai import expo to energize Peru-China trade, says minister

The upcoming China International Import Expo has the potential to energize trade between Peru and the Asian giant, said Peruvian Foreign Trade and Tourism Minister Rogers Valencia.

Valencia described the expo, to be held in Shanghai on Nov. 5-10, as "very important," saying it represents an "initiative towards open trade and contributes to energizing trade between the two countries."

At the expo, Peru plans to showcase its best-selling export brands, including Super Foods Peru, Alpaca of Peru and Coffees of Peru, featuring products native to the South American country that are in high demand abroad.

The strategy aims to strengthen Peru's existing trade ties with China, its main export destination since 2014 and leading source of imports.

While most of Peru's current exports to China are related to minerals, there is "ample potential" to trade other products, such as agricultural goods, fish and seafood, and textiles such as fine alpaca, the minister said.

Peru's delegation to the fair will include representatives of the country's main export guilds as well as 16 companies "that will take the best of our foods," said Valencia.

The country's range of exportable foodstuff goes from specialty coffees to pepper, Andean grains, chocolate and such nutrition-packed "super foods" as maca (a root vegetable), sacha inchi (an Amazonian plant) and kiwicha (a type of amaranth).

"Given the importance of the event and the interest it has generated not just in China, but also around the rest of the world, we believe our participation will let us present our country's progress in developing a series of exportable products..." to a large audience, said Valencia.

To continue to diversify its exports to China "with high-quality goods," Peru "will keep working" within the framework of the free trade agreement (FTA) between the two countries, which was put into effect in March 2010, said the minister.

"We have been working with China to begin the process of optimizing our FTA. That will allow us to modernize and maximize the benefits of the agreement, which will result in a greater trade flow between our two countries," said Valencia.

China and Latin America in general have in recent years made an effort "to strengthen ties, boost trade and encourage investment flows," he said.

"That has led to a significant increase in Chinese investment in Latin American countries, especially in key sectors of their economies, such as transport, infrastructure and telecommunications," he noted.

For regional countries looking to step up exchange with China, Valencia recommended striking a trade pact, saying "one way to strengthen bilateral trade is negotiating free trade agreements."

Peru succeeded "in strengthening its ties with China through an FTA," he added.

For the region as a whole, the best way to further ties with China would be to participate in its Belt and Road Initiative to increase international trade and promote global infrastructure construction, he said.

That would also lead to the strengthening of multilateral ties, said Valencia.

Source: xinhuanet.com- Oct 19, 2018

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China's economic growth disappoints 1st time since 2009 financial crisis; what does it mean for India?

As India's economic growth picks from the reform-based slowdown, China, on the other hand, disappoints. China clocked a GDP growth of 6.5% in the July-September quarter, at the slowest pace since the 2008-09 global financial crisis, against the expectation of 6.6%.

Economists, at large, argue that the slowing economic growth in China would make the world look at India as the second best option for manufacturing-based, labour intensive economy.

China's lower-than-expected GDP growth has stemmed from weak manufacturing sector growth amid the fears of looming trade war. "Weakness is largely coming from the secondary industry- most notably manufacturing. We may review our Q4 forecasts," Reuters quoted Betty Wang, senior China economist at ANZ in Hong Kong, as saying.

The Asian dragon, which posted double-digit growth for almost a decade, began slowing down last year, with just 6.9% growth due to shift in the government's focus on climate change and elimination of poverty. However, the trade conflict with the Donald Trump administration is threatening the Chinese economy at large.

Former Chief Economic Advisor Arvind Virmani has predicted that China's GDP growth will further slowdown to just 5% in the coming three years due to the trade war. He also opined that in a world that is becoming de-globalised, manufacturing-led economies are at a disadvantage.

While China is slowing down, India has recovered significantly from its three-year-low GDP growth by posting a stunning 8.2% economic growth in the first quarter of the financial year 2018-19. The International Monetary Fund (IMF) has projected that India will become the world's fastest growing economy with a 7.3% GDP growth in FY18-19, while China will clock only 6.6% in the calendar year 2018.

Source: financialexpress.com- Oct 21, 2018

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CIIE: Turkey eager to tap into Chinese market

The Turkish government announced this year it would be expanding its cooperation with China, and the Turkish businesses are eager to tap into the massive market as well. The China International Import Expo (CIIE), to be held in November, is hence seen as a great opportunity by Turkey's leading corporations.

Dozens of companies from Turkey will participate in the CIIE in November, which come from assorted industries including textile, home appliances, tourism, food and jewelry.

One giant corporation to attend the CIIE is Turkey's Ata Group, which is participating with five Turkish companies from different industries. Their quick service restaurant company Tab Food Investment is the master franchisee of Burger King in Turkey and an operating partner in China. They have opened over 900 restaurants since 2012, when they first invested in China, and now they employ over 20,000 people in the country

Another Turkish company attending the CIIE is Arbeta tourism agency. It forecasts a rise in the number of Chinese tourists travelling to Turkey and hopes to increase their brand awareness via the CIIE.

Ata Group President Korhan Kurdoglu says they believe tourism between China and Turkey will increase enormously. “It's already doubled from last year, and it's only a miniscule part of the whole outbound tourism of China, so there's a huge potential.”

Ata Group officials also believe that companies that attend the CIIE will see benefits in the near future. Kurdoglu stressed that “Chinese people are really receptive and they are looking at this opportunity."

Gonul Kahvesi, a company which produces Turkish coffee and has over 800 branches in Turkey, will also be attending the CIIE. The company intends to spread a love for Turkish coffee, a product woven in the country's culture, across the globe. Yaman Yardimci, Executive Board Chairman of the company, says they hope that attending the CIIE will help them find strong connections, and potentially a suitable partner to operate with a master franchise system.

Another giant corporation hoping to expand their operations in China with the help of the CIIE is Arzum, a home appliances company. The chairman of the board of Arzum is Murat Kolbasi, who has decades of experience working with China as their company manufactures some products there. Kolbasi is also the president of the Turkish-Chinese Business Council of Turkey's Foreign Relations Economic Board.

He says he's advised Turkish companies to attend the CIIE in order to "improve their awareness of the brand in all of Asia." Kolbasi added that approximately half a million people are expected to visit the expo, and that alone creates a huge potential for companies attending the CIIE, and he believes there is great potential for companies within the textile, food, tourism and coffee industry to expand into the Chinese market.

Source: cgtn.com- Oct 20, 2018

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EU seeks more Asia trade deals after Vietnam pact

Brussels has approved a trade agreement with Vietnam in the latest sign of how the EU is trying to strike deals to fight a growing climate of protectionism.

Cecilia Malmstrom, the EU's trade commissioner, said Europe was determined to deepen commercial ties with Asia, saying the deal and a similar agreement with Singapore would move the bloc closer to a broader regional trade pact with south-east Asia.

The deal with Vietnam was the "most ambitious agreement we have ever made with a developing country", Ms Malmstrom said.

"It sets the standard," she said. "It is a very important stepping stone for whatever we do in the region."

The European Commission's approval of the deal, which must now be ratified by other EU bodies including the European Parliament, is intended to send a signal of the union's trade ambitions ahead of a summit of leaders from 51 EU and Asian countries in Brussels this week.

The summit will include talks between the EU and the Association of Southeast Asian Nations, which brings together 10 countries including Thailand, Vietnam, Singapore and the Philippines.

The EU will also this week give its final signature to a trade deal with Singapore, which has already been negotiated and ratified. Ms Malmstrom said both deals would help in “paving the way” to a potential EU-ASEAN trade pact.

Talks on such a “region-to-region” deal have been on hold since 2009, after it was judged that faster progress could be made with bilateral deals between the EU and individual countries.

Reviving the talks with ASEAN is something that is “not immediately around the corner, but it is definitely a goal that we have”, Ms Malmstrom said.

The EU is trying to cement trade ties to send a signal of intent at a time when protectionist sentiment is rising in the US and elsewhere. In the past two years the bloc has also brokered a major deal with Japan, updated its agreement with Mexico and started talks with Australia and New Zealand. It is also in an advanced stage of negotiations with the South American Mercosur trade bloc.

The EU-Vietnam deal will eliminate 99 per cent of customs duties on bilateral goods trade, which is worth €47bn a year. Some Vietnamese tariffs, including on cars parts, meat and dairy products, will be phased out over periods of up to 10 years.

The agreement also removes some regulatory and other non-tariff barriers to EU car exports and provides intellectual property protection for specialities produced within the EU such as Roquefort cheese.

The two sides also struck a separate deal on safeguarding the rights of foreign investors, which needs approval from national parliaments throughout the EU.

Ms Malmstrom called for the texts to be ratified “swiftly”, saying the trade pact would also “help spread European high standards” of labour law and environmental protection, as well as “create possibilities for in-depth discussions on human rights”.

While the EU this year appeared to be headed for a trade war with the US over tariff threats from President Donald Trump, relations have shifted markedly since July, when the EU and US agreed on plans to deepen commercial ties, including talks on eliminating tariffs on industrial goods other than cars.

The Trump administration this week told Congress that it intended to launch formal trade talks with the EU and Japan, as well as with the UK "as soon as it is ready" after Brexit.

Ms Malmstrom underlined on Wednesday that "the UK cannot negotiate any trade agreement as long as they are a member of the EU".

"We see this as merely preparations being made by the US to negotiate with them and others," she said.

Source: ft.com- Oct 20, 2018

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Vietnam: Imports of clothing materials see strong growth

Vietnam recorded strong growth in imports of materials for the textile and garment industry in the first nine months of 2018, according to statistics by the Ministry of Industry and Trade.

The highest growth was seen in imports of fiber, valued at 1.78 billion USD, up 34.6 percent from the same period last year. It was followed by cotton with import value of 2.41 billion USD, up 30.3 percent year on year.

Waterproof fabric came third with a growth of 13.5 percent but it posted significant import turnover of 9.39 billion USD.

The total cotton, fiber and fabric imports were worth 13.6 billion USD in the first three quarters, according to the ministry.

Source: en.vietnamplus.vn- Oct 21, 2018

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Bangladesh Factories, power plants can halve energy use: expert

Factories and power plants in Bangladesh can save up to 50 percent of energy through using heat recovery technologies.

An energy efficiency expert made the observation at a workshop organised by German Society for International Cooperation (GIZ) in association with Sustainable and Renewable Energy Development Authority (Sreda) and Sustainable Energy Association of Singapore (SEAS) at a hotel in the capital yesterday.

Dr Chandra Sekhara Reddy Chirla, who works for Singapore Refinery Company Private Limited, said there is proven technology running for last 10-15 years, which can save energy use up to 50 percent.

“Normally, heat recovery technology can increase energy efficiency by 25-30 percent. But there are some technologies being used in the USA and the UK that have the potential to increase efficiency up to 50 [percent],” he told the workshop, participated by senior officials from different power and energy-related organisations from public and private sectors.

He said there are many technologies in the world which are being used by developed countries in their industries. Through these technologies, exhausted heat is recovered and reused in the factories, he noted.

Sharing his experience in conducting studies in Bangladesh's textile industry, Dr Chandra Sekhara Reddy Chirla said generally textile industries uses boilers for dyeing fabrics.

“If they use flue gas for their energy, it could easily increase their energy efficiency," he said.

So, textile, garment and power plants have a good potential to use the technology, he said, adding that the government has a role to play in this regard.

“The government must encourage industries and power plants by providing them with some sort of incentives to move for using energy-efficient technology,” he said.

He also mentioned that if factories and power plants use heat recovery technology, they can get returns of their investment within only two years. In addition, they can get the benefit of carbon credit facilities from it, Dr Chirla said, adding that there must be a specific policy framework from the government in this regard.

Source: thedailystar.net- Oct 21, 2018

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Turkey's retail trade volume rises 1.3 pct in August

Turkey's calendar-adjusted retail sales volume with constant prices saw an annual rise of 1.3 percent in August, the Turkish Statistical Institute said on Wednesday.

Sales of drinks and tobacco and automotive fuel rose 4.9 percent and 1.3 percent, respectively during the same period, TurkStat said in a statement.

However, non-food sales -- excluding automotive fuel -- fell 0.5 percent in August compared to the same month last year.

But the institute said the volume of non-food sales by mail order and the Internet surged 22.9 percent year-on-year.

Over the same period, sales of medical goods and cosmetics climbed 20.5 percent while the textile, clothing and footwear sales volume was up 1.6 percent.

The electronic goods and furniture sales volume saw an annual fall of 10.9 percent in the month, and the sales volume of computers, books, and telecommunications equipment slipped 1.8 percent.

TurkStat also said the calendar-adjusted retail turnover with current prices jumped 20.3 percent in August from the same month last year.

It said the automotive fuel sales turnover saw the highest yearly rise in August with 27.9 percent, followed by annual turnover hikes in non-food and food/drinks/tobacco sales of 19 percent and 17.2 percent, respectively.

Source: aa.com.tr- Oct 17, 2018

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Pakistan: Govt sets target of 15mn bales of cotton for 2018-19: Commerce minister

Adviser to Prime Minister on Commerce and Textiles, Abdul Razzaq Dawood Wednesday said the government had set a target of 15 million bales of cotton for 2018 -19 as compared to current 10.8 million bales production.

The government's priority was to ensure the import of quality cotton and provide quality seeds and pesticides to the farmers for increasing their per acre yield, he said while addressing a press conference here at the Ministry of Commerce and Textile.

"We are starting a campaign for 'Contamination free cotton' to improve the quality of local cotton and to evolve export quality cotton in order to increase revenue through exports," he said.

The minister said textile was important sector which contributed 60% of country's exports, now the trade of textiles had declined.

He said low quality seeds, pesticide and lack of modern technology in textiles were the main causes of decline in this sector and low production of cotton in the country.

He said upcoming visit to China, "We would get support in agriculture research, including Basmati rice and fruits."

He said, "We want to get market excess from China, European Union, America, Japan and other southeast and pacific countries for increasing exports of the country.

"China is ready to give us duty free excess in its market through Free Trade Agreement in Phase-II, now China is agreed to lower the tariff on 70 items to give market excess to Pakistan."

"We would negotiate with Japan and Canada to get market duty free excess for increasing our exports, "he said.

In regional trade, “We are losing our trade share as compare to Vietnam, Bangladesh and India.”

He said soon the government would negotiate with all stakeholders to give five year plan for textile industry to evolve long, medium and short term.

He said, “We are negotiating with All Pakistan Textiles Mills Association for giving better price to farmers, but they are not ready to pay good price to the cotton farmers. The government want to introduce the trading culture and stop the under invoicing to harm the country’s trade and economy.”

Replying to another question, he said the government had decided to revive the Engineering Development Board (EDB) to concentrate on engineering products for increasing exports in this sector.

“We have planned to evolve a new roadmap for the promotion of engineering industry,” he said adding that it was the top priority of the government to increase engineering exports including exports of auto parts, motorcycles, air conditioners and other products.

The government, he said, would give priority for promotion of export-led growth and reduce dependence on imports. “We have identified several sectors to boost country’s exports,” he said.

“Primarily, we are focusing on increasing exports in engineering and Information Technology, and innovated technology through enhancing their competitiveness in global market. We would achieve exports target and additional exports for economic development and prosperity,” he said.

To a question, the adviser said the government was committed to enhancing exports and increasing manufacturing in engineering sector.

“We would focus on promoting “made in Pakistan” goods and discourage imports,” he remarked.

He said quality of governance was declining in every government sector, which needed to be improved for ensuring the development in the country.

Source: brecorder.com- Oct 18, 2018

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Pakistan: Dismal quarter for textile exports

Textile numbers for the first quarter of FY19 were released yesterday by the Pakistan Bureau of Statistics (PBS). The figures continue to paint a bleak picture for textile exports which showed negligible change as compared to 1QFY18.

Textile Exports (Value)								
USD (Mn)	Sep-18	Sep-17	YoY	Aug-18	MoM	1QFY19	1QFY18	YoY
Cotton yarn	90	111	-19%	107	-16%	314	321	-2%
Cotton cloth	182	179	2%	203	-10%	529	529	0%
Knitwear	221	208	6%	280	-21%	710	647	10%
Bed wear	189	183	3%	230	-18%	584	567	3%
Towels	59	68	-13%	73	-19%	184	185	-1%
Readymade garments	164	191	-14%	224	-27%	599	609	-2%
Total	1025	1078	-5%	1258	-19%	3285	3257	1%

Source: PBS

Textile Exports (Quanity)						
Quantity	Sep-18	Sep-17	YoY	1QFY19	1QFY18	YoY
Cotton yarn (M.T)	31,292	42,832	-26.9%	111,025	123,895	-10%
Cotton cloth (Th.Sqm)	175,000	166,772	4.9%	520,229	495,519	5%
Knitwear (Th.Doz)	9,472	8,595	10.2%	30,912	25,587	21%
Bed wear (M.T)	30,254	30,665	-1.3%	93,472	93,391	0%
Towels (M.T)	15,543	18,997	-18.2%	49,954	50,478	-1%
Readymade garments (Th. Doz)	2,785	2,833	-1.7%	10,235	8,939	14%

Source: PBS

The highest growth witnessed was in the knitwear segment which recorded a 10 percent increase in 1QFY19 whereas lacklustre performance persisted across other valued added segments including bed wear, readymade garments and towels.

On a month-on-month basis, textile export figures are much gloomier with double-digit plunges across the board from cotton yarn to readymade garments. In order to assess the reasons for the sector's dismal export performance, BR Research reached out to Azizullah Goher, the Secretary General of the Pakistan Textile Exporters Association (PTEA) and other stakeholders to get their views.

According to Azizullah, long standing issues of the textile industry which include cheaper energy provision and refunds have not been fully resolved yet. He pointed out that the weighted average provision of gas to the textile manufacturers was only just approved by the ECC and would take time to reflect in a decreased cost of production for textile exporters.

Additionally, the verdict is still out on the reduction in electricity tariffs for the sector which wants Rs3.53/kWh reduction in power surcharges.

The other pressing issue has been the pending refunds which now have reached almost Rs262 billion, according to data obtained by this newspaper. Out of this amount, the largest pending amount is that of duty drawbacks which has reached almost Rs130 billion.

Textile stakeholders maintain that the last refunds payment they received was in June of this year and the delay has caused them severe liquidity issues. This makes sense as awarding the incentives on paper is easy to do but in order to make any meaningful impact on textile exports, companies actually need to receive their refunds in order to reinvest them in getting more export orders.

There is another matter that warrants attention and that is the rupee depreciation. Granted, there will be a benefit if Pakistan's textile exports have become cheaper in international markets. But there is also an associated downside and that is the increase in raw material costs such as imported cotton, dyes and fabric which make a decent proportion of overall costs for value added textile exporters.

Ultimately, it is a trade-off and stability in the value of the rupee is good for business all around. Take for instance, cotton which is the basic raw material for the textile industry.

There has been an almost 22 percent decrease in the cotton production in the last four years whereas this has been supplemented by importing raw cotton which has seen an almost 300 percent increase in the same period. Yet, with the depreciation in the rupee and illogical protectionist measures in the form of import and regulatory duties, the cost of raw cotton has been increased.

But the industry is still optimistic in light of the recent decision to subsidise the cost of gas for zero-rated export sectors and believes once the new government has found its feet it will work towards solving the issue of pending refunds and bring stability to the rupee depreciation as well. Stakeholders believe that it will take at least another quarter to translate the effects of a lowering in cost of production to increase export orders. Let's hope the next quarter shows more optimistic textile export figures!

Source: brecorder.com - Oct 19, 2018

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GST: Govt flip-flop continues, last date for claiming ITC extended after due date

It seems tax authorities are not very sure what to do at the appropriate time. This was clearly evident on Sunday, when the Finance Ministry announced extending the due date for claiming input tax credit (ITC) for the period July 2017-March 2018 by five days after almost 12 hours of due date ending.

Citing apprehensions by trade and industry relating to the last date for availing the ITC for the first year of GST, the Ministry said that the last date for furnishing return in the Form GSTR-3B for the month of September, 2018 is being extended up to October 25. “The extension of the said due date also implies that the last date for availment of ITC for the period July, 2017 to March, 2018 also gets extended up to 25th October, 2018,” it said in a release.

However, on October 18, the Finance Ministry had said that due date will not be extended.

Rules say that a registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under Section 30 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.

Accordingly, the return for the month of September had to be filed by October 20 while last date for filing annual return for financial year 2017-18 is December 31. It means October 20 was the last date for availing unclaimed ITC.

Real relief?

Commenting on the latest development, Abhishek A Rastogi, Partner, Khaitan & Co, said that in the last day of the filing, assessees faced various technical glitches and hence the government has taken a pragmatic approach to extend the deadline by five days.

He also wanted the relevant stakeholders to solve technical glitches proactively. "The assesses have become habitual of the filing extensions but that may surprisingly not happen for the big deadline of filing of annual return," added Rastogi, cautioning the return filers to be prepared.

Pratik Jain, Partner & Leader, Indirect Tax at PwC India, said that while the businesses who could not file the return by 20th can avail of the extension, this doesn't really help most large companies, who would have already filed their return by working overtime. Since there is no facility for amendment of the return, these companies cannot claim the credit which they might have missed.

"To provide relief to industry, the Government should at least extend the due date till 20th November so that credit can be claimed in October return. This is extremely critical as amount of credit at stake is huge in many cases," he argued.

Earlier, various industry bodies and CA body requested extending the date on the grounds that very little time was left to complete the paperwork. They said the due date for filing Income Tax Return and Audit report was October 15, which means businesses have just 5 days to prepare their input tax credit claims.

Another problem is that any wrong entry will prove costly. The Institute of Chartered Accountants of India (ICAI) said, "Consequence of incorrect claim of input tax credit are grave (in terms of interest at 24 per cent) and hence tax payers are yet to identify and claim correct input tax credits."

Source: thehindubusinessline.com- Oct 21, 2018

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Textile production picks up

'Govt. clearing TUFS arrears will bolster fresh investments'

The monthly Index of Industrial Production for textiles increased 7.8% in August this year compared with the same month last year. The cumulative index for textiles from April to August this year has also gone up marginally — 1.1% — from a year earlier.

"This is the beginning of a new dawn, especially after the industry faced two back-to-back big economic reforms of demonetisation and implementation of GST," said Sanjay Jain, chairman of the Confederation of Indian Textile Industry.

Last year this time, implementation of GST was underway and it had affected production, he said. Production has risen mainly because of domestic market demand.

The industry is now expected to attract fresh investments, having seen a slowdown on this front for two years. "We are working with the government to clear the technology upgradation fund scheme arrears," he added.

In the south, industry sources said export enquiries were better this year over the last across the textile value chain.

The demand is usually good from October to February and production also goes up during this period. If the TUFS arrears are cleared, investments will revive, the sources said.

Source: thehindu.com- Oct 20, 2018

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Cotton Corp to stress on quality as it readies for record procurement

The move will bolster India's reputation as a source of better-quality cotton, besides fetching a premium price for the fibre

Amid silent protests from industry, the Cotton Corporation of India (CCI) has embarked on the largest ever cotton procurement programme, projecting an ambitious target-buy of 100 lakh bales in the just-commenced cotton season (October 2018-September 2019).

This year, CCI is scripting a paradigm shift by insisting that sellers in the country meet a set of quality parameters to market their produce. No doubt, the move, if successful, will bolster India's reputation as a source of better quality cotton globally, and probably fetch the commodity a premium price that many rival countries command in the international markets. But, the move doesn't come without its teething troubles.

After it decided to up the quality parameters, CCI — the nodal agency for procuring cotton at the MSP levels — had to issue four rounds of tender to finalise ginning contracts, with the first few receiving tepid to no response.
Upping the ante

This prompted CCI to relax some of the quality norms after discussions with ginners and scientists, and a high level committee that had fixed the quality parameters. Subsequently, CCI engaged Principal Agriculture Secretaries of State governments — including Andhra Pradesh, Telangana, Maharashtra, Gujarat, Odisha, Rajasthan, Punjab and Haryana — to make the procurement a success, officials confirmed.

"It is a good thing that we have started stressing on the quality aspect. Quality, not quantity, should be more on our focus," CD Mayee, cotton scientist and former Director of the Central Institute of Cotton Research (CICR), Nagpur, told BusinessLine. However, market experts understood the rationale of ginning industry's lack-lustre response to the move.

"The ginning process in India is mostly done 'manually' by small family businesses which could result in certain quality issues as compared to 'international markets' where the entire process of procuring raw cotton is automated," said Hetal Gandhi, Director-Research at rating agency CRISIL.

From ‘kapas’ to ‘kapda’

Ginning is the process of converting raw cotton into bales. CCI procures raw cotton or kapas from farmers by paying them the MSP directly. Then it gets the kapas ginned and pressed — process of separating the seeds from cotton — into bales. For converting cotton to bales, it issues tenders for ginning and pressing. These bales are then acquired by spinners for processing and finally sold to textile sector.

CCI appoints ginners at a price (per quintal) through tenders. This time, it has set the prices based on various quality norms of cotton. These quality parameters were decided by a high level committee comprising CCI officials, and a scientist from the CICR.

The committee fixed tender conditions based on percentage of lint (useful material) and seed (waste material) extracted from cotton, rain or weather conditions, variety of cotton (length) and locality. “Parameters such as ‘out-turn’ have been introduced in MSP programme for the first time,” an official said.

Out-turn is a productivity parameter that takes into account the percentage of lint and seeds extracted from cotton. The lint extraction from cotton ranges from 26 to 40 per cent per bale — with 40 per cent being considered extremely good quality cotton. Most of the cotton procured in India has 30-35 per cent out-turn.

“There is a lot of scope for improving the out-turn ratio of Indian cotton as well as controlling moisture levels during the processes of compressing, baling and ginning,” Mayee of the CICR said.
Readying quality testers

Meanwhile, to aid the largest ever MSP procurement, CCI is in the process of empowering its field staff with tools that will help determine quality of cotton, right from procurement stage, and ultimately increase transparency and help fetch the right price for the fibre.

The tools include moisture-meters to measure moisture content, micronaires to measure fineness of cotton, and mini-gins that will measure the out-turn.

"The equipments have been tendered for and their availability will depend on how soon the supplies come in from the selected manufacturers. Currently, moisture meters and digital billing systems have already been put in place," CCI's Chairman and Managing Director P Allirani said.

These moisture meters are being digitally linked to CCI's central server. This will prevent any doubts on the data quality. The field officers simply poke a moisturemeter into the cotton bale randomly, the moisture content is captured and data transmitted to the central computer.

Source: thehindubusinessline.com- Oct 20, 2018

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ICF expects cotton quality to be much better in 2018-19 season

While advising the textile mills against panicking over purported reports of tight cotton stock position during the current season, Indian Cotton Federation (ICF) has appealed to the traders against speculating on the production of cotton and increasing the price of the white fibre.

"During the last cotton season, the trade had projected a very tight closing stock, but in reality the stock was comfortable, which in turn helped in a downward correction of the price by ₹2,000- ₹46,500 during the end of season," ICF President J Thulasidharan said.
Domestic price

"Domestic cotton price generally tend to rule higher than international price during the end of season, but in 2017-18 Indian cotton price continued to rule lower than the international price.

During the current season too, the Indian cotton price is ruling 10 per cent lower than international price. The textile industry should have leveraged on this trend, gained competitive advantage in the global market," he added.

He hoped that the cotton position would remain comfortable during the 2018-19 season as the minimum support price (MSP) is up 26 to 28 per cent, notwithstanding the favourable monsoon condition as well.

The Department of Agriculture, Cooperation and Farmers' Welfare released the first advance estimate last week. As per this report, the area under cotton showed a marginal decline from 122.53 lakh hectares in December 2017 to 122.38 lakh hectares.

Advance estimate

The fourth advance estimate for 2017-18 cotton season had estimated the area at 124.29 lakh hectares. Industry sources expect this area to rise further this season as compared to the previous year.

"We are expecting cotton quality to be much better during 2018-19 compared to the earlier season in view of the efforts taken by the Cotton Corporation of India in enforcing quality parameters and ginning practices," Thulasidharan said.

Source: thehindubusinessline.com- Oct 21, 2018

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Why Punjab's cotton farmers prefer agents

Why have Punjab's cotton farmers snubbed Cotton Corporation of India (CCI), the marketing support agency for kapaas under the Union Ministry of Textiles?

In the 15 days since the Centre intervened directly to help farmers in Punjab get the minimum support price (MSP) for their cotton crop, not one of the state's 2 lakh farmers has responded — they have instead chosen to continue to sell to their traditional buyers, the arhatiyas or commission agents, at prices well below the MSP. Why have Punjab's cotton farmers snubbed Cotton Corporation of India (CCI), the marketing support agency for kapaas under the Union Ministry of Textiles?

CCI's intervention

On October 6, CCI entered the market to buy narma (raw cotton) directly from farmers at the MSP, and thus help reduce their dependence on arhatiyas. Areas were marked out for CCI in all the state's cotton mandis. Cotton farmers, however, did not respond. At mandis where officials tried to persuade farmers to sell their crop to CCI directly, both farmers and arhatiyas protested; on October 12, arhatiyas organised protests at all mandis.

Farmers have long complained that the MSP is only on paper, and they don't actually get that price when they sell. CCI chose to enter the market to purchase directly from farmers when market rates were close to the MSP; if the rates fell subsequently, it would be CCI's responsibility to buy at full MSP as per the quality parameters of the crop.

MSP, current prices

The government has fixed an MSP of Rs 5,150 per quintal for medium staple (less than 27 mm fibre), and Rs 5,450/quintal for long staple (27.5-33 mm fibre) cotton. Punjab grows mostly the long staple variety (fibre 27.5-28.5 mm), the MSP for which has been fixed at Rs 5,330/quintal narma, as per figures with CCI. On Saturday, the rate at Abohar mandi, the largest in the region, were far lower than the MSP — Rs 5,150/quintal narma. At Fazilka mandi, the rate was Rs 5,050/quintal. Rates at mandis are fixed daily in auctions conducted by arhatiyas. Rates are low because moisture levels in the crop are high — up to 15-18%. This is well above the specified limit of 8-12%, after which the price starts to fall.

Not just economics

The reason for farmers' lack of enthusiasm about CCI lie in the social structures of rural Punjab, in which the arhatiyas and farmers share a close transactional relationship. Farmers say dealing with CCI is fraught with the risk of upsetting the arhatiyas, who might not be willing to help them in the future. Farmers depend on arhatiyas for small loans for cropping operations and personal needs, which they find more convenient than approaching a bank for a loan.

Also, several farmers at Abohar mandi said, selling to CCI requires registration and submission of documents such as Aadhaar and bank account details. The entire crop is checked thoroughly for moisture content, and the MSP is reduced according to readings of the moisture meter. Even then, the money might take a week or longer to come into the farmer's hands, whereas the arhatiya pays immediately.

There are about 26,500 licensed arhatiyas in Punjab, who control the crop of over 11 lakh farmers who mainly cultivate paddy, wheat, and cotton. Each arhatiya deals with between 20 and 200 farmers. The lives and economic wellbeing of the arhatiyas are often linked to those of the farmers.

Arhatiyas earn interest on the credit they offer to farmers in need of cash, and a commission of 2.5% per quintal on the crop they supply to buyers. Also, many arhatiyas are farmers themselves. They are Jat Sikhs, as opposed to Banias or Punjabi Khatris/Aroras. These arhatiyas are bigger farmers who aggregate the produce of smaller farmers, who take loans from them.

“Not a single farmer has registered with the CCI for direct selling of their crop. We wanted to purchase from the farmers in case the rate falls low against the fixed MSP, but we cannot force them to sell to us,” Brijesh Kasana, general manager of the CCI’s Bathinda office, said.

Punjab, one of the top 10 cotton-producing states of the country, is expected to produce some 9 lakh bales of cotton (1 bale equals 170 kg) this year. In Punjab, Haryana and North Rajasthan (mainly Sriganganagar and Hanumangarh districts), the first pickings of kapaas (raw in-ginned cotton containing both the lint fibre and seeds) starts around end-September.

Farmers usually go for three pickings, one following the other in 15-20 days, so that harvesting is completed by early November, which allows farmers to then plant wheat. In Gujarat, Maharashtra, etc, pickings start around mid-October.

Source: indianexpress.com- Oct 22, 2018

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Goa global investors' meet with focus on start-ups in Dec: Prabhu

Global investors will meet in Goa in December to help finance the start-up community in the state, Union Commerce Minister Suresh Prabhu said on Sunday.

He said the Centre was thinking of making Goa as the start-up and logistics hub to create more jobs and that it will also promote agricultural export from the coastal state.

"One of the problems faced by start-ups is finance. We have called all global players who are into financing. This event, to be held on December 7, will bring in global players for investment in the sector for the first time," Prabhu said.

He was addressing a gathering after inaugurating the 'green' building centre at Kudaim Industrial Estate by ACC Cement company in partnership with Goa's ALCON group.

It is a concept introduced by ACC to provide green solutions for building constructions.

Prabhu said the event (to facilitate financing for start-ups) will be held in Goa annually during which the financiers, venture capitalists, investors and growth capital providers will assemble.

"We are thinking of creating a national hub of start-ups in Goa," he said, adding that he is also looking forward to see the state become a new hub of "green ideas".

"We are working on many things. At the same time we have to create employment for people. If you only talk about green then what happens to people?" he said.

The minister said to create employment and to keep it clean "we need to think about cleaner ideas".

Prabhu also said a logistics hub will also be set up in Goa as the state has all the infrastructure required for the facility.

The minister also said that the Centre has earmarked Rs 5,000 crore for providing full support to the service sector and it has identified 12 champion sectors for the services industry.

“We want to provide support to services in a big way so that services also become a growth engine. Services are the biggest job providers. I have requested the Goa government to submit a proposal so that we can give part of the money to the state,” he said.

Source: thehindubusinessline.com- Oct 21, 2018

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Myntra to invest in 15 emerging fashion brands

Eyes 10% revenues from accelerator programme investees by 2020

Flipkart-owned fashion e-tailer Myntra plans to make growth-linked equity investments in 15 emerging Indian fashion brands that are part of its Brand Accelerator Programme launched in June 2017.

The investments will largely be in exchange for 3-5 per cent stakes in the brands. Myntra aims to drive 10 per cent of its platform revenue through the accelerator brands by 2020, a top executive told BusinessLine.

The Brand Accelerator Programme seeks to support small domestic fashion brands in every aspect of their business and help them become big national brands, both online and offline, in 3-5 years.

Except for Wildcraft, in which Myntra has picked up a 5 per cent stake, all the other brands will get growth-linked equity investments on achieving YoY sales targets on Myntra and Jabong.

The brands are 2GO, AKS, PrettySecrets, Carlton London, Chemistry, Sassafras, Vishudh, Tokyo Talkies, Highlander, Locomotive, Ecko Unltd, Tangerine, Tomatillo and Blush by PrettySecrets. Each has offerings in specific categories such as athleisure, men’s formal wear, women’s ethnic wear and lingerie.

“The Myntra Accelerator Programme is one of its kind in India with a portfolio of 15 brands that contribute 3.5 per cent to our platform revenue,” said Ananth Narayanan, CEO of Myntra and Jabong. “These are growing 300 per cent YoY, relative to our platform that is growing at over 50 per cent YoY.

Historically, Indian brands haven’t been able to scale and grow because they lack consumer data or distribution muscle; we provide both. This programme is a way for Indian brands to become big, national ₹1,000-crore brands in 3-5 years.”

Success stories

For instance, ethnic women’s brand AKS has grown almost 500 per cent YoY to reach the top three in its category. It has acquired two lakh customers and launched a range based on Vorta, the Myntra AI tool for design prediction.

Men’s casual wear brand Highlander has reached the top five in the category, growing at 200 per cent YoY, acquiring 80,000 new customers.

Myntra is investing in the brands not for any financial returns but to engage with them over the long term, said Narayanan. “We will continue to on-board 5-10 more brands in women’s western wear, men’s formal wear and sports wear. It takes three months to on-board a brand because we look for good design sensibility, entrepreneurial hustle and culture fit before we take them on,” he added.

The growth targets for brands is not just about their revenue contribution to the platform and category they operate in. “The targets include high quality products, low returns in the category and a strong customer happiness quotient,” said Narayanan.

Myntra's private label brand portfolio including its flagship brand Roadster, Anouk, All About You, Mast & Harbour, DressBerry, Kook N Keech etc, currently contribute to 25 per cent of its platform revenue. If the Accelerator Programme delivers on target, then Narayanan will have succeeded in garnering 35 per cent of Myntra's platform revenues from private label and accelerator brands by 2020.

Source: thehindubusinessline.com- Oct 18, 2018

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Change in tax structure, VAT in UAE hit Gujarat textile industry, 40% dip in pre-festival business

Diwali may be lacklustre this year for Gujarat's textile and garment manufacturers as the pre-festival business has gone down by about 40-50% on account of lower purchasing power, disturbed payment systems and weak exports.

"Usually, traders and retailers place orders two months before Diwali and garment manufacturers dispatch orders by Dusshera. But this year we have observed about 30-35% lower booking for upcoming festivals.

Fall in purchasing power of consumers and cheap imports from Bangladesh in a big way are the main reasons for current scenario in the Gujarat garment industry," said Vijay Purohit, president of the Gujarat Garment Manufacturers Association (GGMA).

According to the GGMA, there are over 5,000 garment manufacturers in Gujarat and due to the reduction in demand in recent time, many producers have cut the production by 40%. Dubai is the leading buyers of gents' ready-made garments but due to change in tax structure, exports to Dubai also affected drastically.

Purohit said, "Garment manufacturers have cut down the production by 40% due to fall in festival business in recent times. Moreover, exports have also reduced due to value added tax (VAT) in Dubai which is one of the biggest buyers of ready-made garments."

The situation is not different in Surat textile markets as they have also witnessed about 40-50% fall in pre-festival demand this year. According to the Federation of Surat Textile Traders Association (FOSTTA), changes in government policies like the goods and services tax (GST) and demonetisation have affected the payment cycle of the industry and because of this, overall businesses have gone down.

Manoj Agarwal, president of FOSTTA said, "Demonetisation has disturbed the payment cycle of textile industry and it has yet not fully come out from it. On the other side implementation of GST also affected the trade in Surat. All these factors have affected the pre-diwali business by 40-50% this year.

Not just textile but affiliated industries are also affected and we are not seeing any revival in near future."

Moreover, since the demonetisaion and GST implementation markets have not settled and current weak business is the continuation of that. Gaurang Bhagat, president of Maskati Cloth Market Mahajan said, "Current weak demand in pre-diwali business is the continuation of GST and demonetisation.

Money crisis is also there and for the consumers, buying cloths or textile products is last in priority list."

Source: financialexpress.com- Oct 20, 2018

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Anti-dumping duty levied on 'flax yarn' imports from China

The Finance Ministry imposed definitive anti-dumping duty on certain 'flax yarn' — a linen yarn used in fabric industry — from China.

Based on the recommendations of the Designated Authority in the Commerce Ministry, the revenue department imposed an anti-dumping duty that ranges from $1.30 per kg to $4.83 per kg depending upon the producer and exporter from China.

The petition seeking anti-dumping probe on 'flax yarn of below 70 Lea Count (43 Nm)' from China was filed by Jaya Shree Textiles — a unit of Grasim Industries Limited (previously Jaya Shree Textiles) — Unit of Aditya Birla Nuvo Ltd)

Flax yarn is a 100 per cent linen yarn. It is a natural cellulose fibre with higher conductivity and is highly moisture absorbent. It possesses anti-microbial, anti-fungal properties and is used in children's wear and home textiles.

Source: thehindubusinessline.com- Oct 21, 2018

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Eastern India is becoming global hub for textile exports: PM Modi

Prime Minister Narendra Modi addressed the 36th 'Carpet Expo' in Uttar Pradesh's Varanasi via video conferencing on Sunday. While addressing the gathering, he said that Eastern India region is becoming a global hub for country's textile exports.

PM Modi added that Centre is also trying to encourage small and medium industries.

Source: in.news.yahoo.com- Oct 21, 2018

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Pink bollworm attacks on the rise in Telangana as mercury dips

Scientists have asked the farmers to keep an eye on the crop and take immediate measures to arrest the growth and spread of the worms. A committee deputed by the Prof Jayashankar Telangana State Agriculture University has received reports of farmers losing their bolls to the pest.

“Though it is still within the limits, the incidence might go up in late October and November which is considered a favourable period for the worms,” a university official said. Cotton acreage in Telangana stands at 18 lakh hectares this kharif as against the normal acreage of 15 lakh hectares. The marketing yards and ginning mills have already started procuring the fibre from the first picking.

Meanwhile, the scientists have advised the farmers to spray a mix of chemical pesticides and natural formulations such as neem oil between 6 and 11 am or 3 and 6 pm, besides asking them to go for alternative crops such as greengram, groundnut or maize after the second picking.

Source: thehindubusinessline.com- Oct 19, 2018

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