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USD 68.36| EUR 80.02 | GBP 91.28 | JPY 0.62

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19959	41750	**77.83**

Domestic Futures Price (Ex. Gin), May

Rs./Bale	Rs./Candy	USD Cent/lb
20920	43760	**81.57**

International Futures Price

NY ICE USD Cents/lb (July 2018)	86.96
ZCE Cotton: Yuan/MT (May 2018)	17,975
ZCE Cotton: USD Cents/lb	**108.48**
Cotlook A Index – Physical	**92.05**

Cotton guide: This week on Tuesday cotton for July delivery considered partly as active contract at ICE made a price high of 89.88 cents per pound. However, since then it has corrected on the same day and Wednesday. While writing the report at 9 AM IST, the cotton is seen trading at 86.81 cents almost 300 point off from the recent high.

We are considering the price fall as mere profit booking on the recent price gain. On the trading front the aggregate open interests are holding strong near 0.297 million contracts while the trading volume across future contracts have declined in last three days.

So in last three days, price has declined, volumes have declined but aggregate open interests holding firm indicates that market is at a jittery state however, fading volume along with declining price suggest that only profit booking (long liquidation) is taking place in the market and steady

OI indicates market players are still unsure about the short term price trend but certain about the ongoing broad bullish trend in the market. We see the price correction onto downside as temporary with retreating from its recent overbought zone.

Adding a bit of technical analysis to the price we see 86 cent as strong support level and if that is respected then cotton price may continue to remain on the higher side of the price range. However, any break down below 86 might pull price lower significantly towards 84- cents where in the open interests might also reduce to confirm strong long liquidation in the market. To read more please access kotak Commodities Research Report.

Currency Guide:

Indian rupee appreciated by 0.13% to trade near 68.33 levels against the US dollar. Rupee inched up today amid some position squaring after recent slide to the lowest level since December 2016. Correction in US dollar index post FOMC minutes also helped rupee recover. FOMC minutes showed increased chances of June rate hike but also that the central bank is not in a rush to increase pace of future rate hikes.

However, weighing on rupee are concerns about investor outflows, higher crude oil price and recent political wrangling in Karnataka. Also weighing on rupee is weaker risk sentiment amid uncertainty about US-China trade talks and US-North Korea denuclearization talks. Rupee may remain under pressure until we see a sizeable correction in crude oil or improvement in risk sentiment. USDINR may trade in a range of 68.15-68.5 and bias may be on the upside.

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

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INTERNATIONAL NEWS

Global cotton consumption to reach record in 2018-19: USDA

In China, cotton consumption is forecast to expand 4 per cent and reach 41.5 million bales in 2018-19, the largest since 2010-11, as investment in the textile industry continues and mills have access to local supplies from the national reserve.

China's mill use in 2018-19 may be further supported by a slower pace of yarn imports compared with recent years.

Similarly, India's consumption in 2018-19 is expected to grow nearly 4 per cent to 25.2 million bales, a record if realised; the global demand for cotton textile and apparel products has supported the recent growth seen in India.

In Pakistan, cotton mill use is forecast at 10.5 million bales in 2018-19, slightly above a year earlier and the largest in 4 years, the report said.

Cotton mill use in Bangladesh is forecast to reach 7.8 million bales in 2018-19, up 500,000 bales or 7 per cent over 2017-18 as consumption hits new records annually.

Tremendous growth has also been noted in Vietnam, where 2018-19 mill use is expected to expand 12 per cent to a record 7.4 million bales, up 800,000 bales over the previous season.

Likewise, Turkey's consumption is projected 200,000 bales or 3 per cent higher in 2018-19 to a record 7.4 million bales, USDA said.

Source: fibre2fashion.com- May 24, 2018

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China, Germany poised for stronger trade ties

China and Germany—both strong supporters of economic globalization and multilateralism—are poised for even stronger business ties in coming years, according to officials and business leaders.

For many Chinese companies and consumers, "Madein-Germany" has traditionally meant products such as automobiles, machinery and, of course, beer. But there is now a growing appetite in China for a variety of new German goods—from sensors, semiconductors and new materials to healthcare products sold in "dm-drogerie markt", Germany's largest retailer by revenue.

China has been Germany's top trading partner for two consecutive years after overtaking the United States and France in 2016.

The bilateral trade volume between China and Germany amounted to $168.09 billion in 2017, up 11.1 percent year-on-year, data from the General Administration of Customs shows.

"The future of Chinese-German business ties will be based on trade in high-end and consumption goods, and investment in the fields of infrastructure and service projects, manufacturing, pharmaceutical and multimodal logistics business," said Zhang Yunling, director of international studies at the Chinese Academy of Social Sciences in Beijing.

He said that even though both the Chinese and German economies have been affected by weak global demand, as well as the challenges of unilateralism and trade protectionism conducted by the US, the degree of interdependence between the two remains stable in bilateral cross-industry trade.

"China will continue to export consumer goods in exchange for Germany's high-tech products such as electronic and chemical products, construction machinery, vehicles and parts, medical equipment and pharmaceutical products," said Yu Jianlong, secretary-general of the China Chamber of International Commerce.

"Most of their imports are complementary. Therefore, it isn't direct competition," Yu said.

Chinese exports to Germany mainly consist of raw materials, computers, transport equipment, plastic and rubber products, textiles, garments and household appliances.

As many Chinese companies cast off their heavy dependence on service trade with the US and conduct more international collaboration in research and development with other countries including Germany, Russia and South Korea, Yu said it would be beneficial for China and Germany to deepen cooperation in the field of service trade.

With a focus on unmet medical needs in the country, Leverkusen-based Bayer AG has been continuously introducing innovative drugs into China to seize opportunities brought by the government's Healthy China 2030 initiative and the country's consumption upgrading boom.

Bayer's Stivarga became the first new drug for liver cancer treatment this year after Nexavar was approved in China 10 years ago, for helping to significantly extend the overall survival of Chinese patients with the disease.

"Relying on our long-term experience and deep insights accumulated in China, Bayer has been unceasingly exploring new products and services through innovations and collaborations to address unmet medical demands," said Wei Jiang, executive vice-president of commercial operations for Bayer Pharmaceuticals China and APAC region.

DHL Global Forwarding, a German provider of air, sea and road freight services, this month introduced biweekly scheduled flights between Incheon in South Korea, Wuxi in China's Jiangsu province and Frankfurt-Hahn in Germany to cater to a growing airfreight demand between North Asia and Europe, particularly in electronic products.

The company's move is considered a response to growing air trade and the booming cross-border e-commerce sector between Europe and eastern China.

"While Europe is the main export market for small and medium-sized e-commerce companies in Wuxi, the new service connecting Wuxi and Frankfurt-Hahn will alleviate the current shortage of airfreight services in Wuxi," said Steve Huang, chief executive officer of DHL Global Forwarding China.

Source: ecns.cn- May 24, 2018

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US cotton production projected to decline in 2018: USDA

US cotton production is forecast at 19.5 million bales, nearly 7 per cent below the final 2017 estimate, according to the US department of agriculture's (USDA's) initial projection for the 2018 crop. However, based on the 'Prospective Plantings' report, 2018 cotton area is estimated at 13.47 million acres, nearly 900,000 acres above 2017.

The larger 2018 planted acreage expectation is mainly due to relative prices that favour cotton and the successful yields experienced in 2017 that reached a national record, the Economic Research Service of USDA said in its latest 'Cotton and Wool Outlook' report.

Planted area for both upland and extra-long staple (ELS) cotton is expected to increase in 2018. For the upcoming season, upland acreage is projected higher in two of the Cotton Belt regions and nearly identical in the other two regions.

Based on Prospective Plantings, the Southwest upland area is estimated at 8.1 million acres, above 2017's 7.6 million acres and the highest since an identical amount was planted in 1981. The Southwest is forecast to account for 61 per cent of the total upland area in 2018, similar to last season. Cotton acreage in the Southeast is forecast at 2.8 million acres in 2018, nearly 13 per cent above 2017 and the highest since 2011 when the region planted 3.4 million acres to cotton; however, the region is forecast to only account for about 22 per cent of the upland area in 2018, below the 5-year average.

In the Delta and the West regions, 2018 cotton acreage is forecast to remain identical to the last season, according to the report.

Meanwhile, ELS cotton remains concentrated in the West, where 95 per cent of the 262,000-acre total is forecast to be planted in 2018. California is the major ELS-producing state, accounting for 230,000 acres of the total.

Source: fibre2fashion.com- May 24, 2018

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Vietnam, China hold huge potential for trade, investment cooperation

Vietnam and China see huge potential for cooperation in economy, trade and investment, experts said at a trade exchange and seminar between the two countries held in Ho Chi Minh City on May 23.

The event was co-organised by the Vietnam Chamber of Commerce and Industry – Ho Chi Minh City branch (VCCI HCM City) and the China Council for Promotion of International Trade.

VCCI HCM City Director Vo Tan Thanh said that Vietnam and China have good relations in numerous fields, especially in trade and investment. China is currently Vietnam's biggest trade partner, while Vietnam is China's largest trader in ASEAN.

Two-way trade reached 93.6 billion USD in 2017, up 30 percent year-on-year, and accounting for 22 percent of Vietnam's total import-export turnover. Of the total, 35.4 billion USD came from Vietnam's exports.

According to Thanh, Vietnam posted a trade deficit of 28 billion USD with China in 2016. The figure was down to 22.7 billion USD last year, a positive sign in improving the bilateral trade balance.

Bilateral trade is forecast to exceed 100 billion USD this year, he stated.

In terms of investment, Chinese enterprises are intensifying investment in such fields as garments-textiles and mineral exploitation-processing in Vietnam.

Last year, Chinese investors run 284 new projects and added capital to 83 existing projects in the Southeast Asian nation with a total capital of over 12 billion USD.

Wen Xi Chen, Economic Counselor at the Chinese Consulate General in Ho Chi Minh City, shared that China has huge demand for aquatic products like basa fish and shrimp and agricultural products such as pepper, cashew nut and dragon fruit.

With its open trade policy, China welcomes foreign businesses, including those from Vietnam, to bring into full play market opportunities to increase exports of high-value products to the country, he said, adding that Chinese firms want to seek cooperation opportunities in garment and textiles, seafood and farm produce processing for export.

The two countries can also boost collaboration in mineral exploitation and processing, finance and tourism, he added.

Meanwhile, Chinese experts advised Vietnamese enterprises to thoroughly learn about partners' information and market demand through trade representative offices to avoid unreliable partners who can cause economic losses and affect the two countries' relations.

Source: en.vietnamplus.vn- May 24, 2018

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Europe allocates 30% of Egypt's readymade garment exports

Europe is allocated 30 percent of the Egyptian readymade garments' exports, according to the Readymade Garments Export Council.

The council emphasized in a statement its interest to increase the ability to access the European market in cooperation with all export councils in Egypt, aiming at accelerating the completion of the Trade Ministry's plan to increase Egyptian exports in accordance with the 2020 strategy.

The 2020 strategy was launched in November 2016 by Minister of Trade and Industry Tarek Kabil.

It includes five main axes: industrial development, small and medium enterprise (SME) development and entrepreneurship, export development, training and technical education development, and corporate governance and development.

The strategy aims at increasing exports in the first place after strengthening the local industry.

Exports recorded $22.4 billion in 2017, with an increase of $2 billion, while imports decreased $10 billion to $56 billion, compared to $66 billion in 2016.

The statement added that the council is continuing its activities to explain the program of developing the financial systems of the textile and garment sector companies, and presenting the most important services and special programs provided by the European Bank for Restructure and Development (EBRD) to provide technical support to small and medium enterprises.

According to EBRD, the bank has financed 78 projects in Egypt totaling €3.5 billion ($4 billion). The current portfolio of projects is worth €2.7 billion.

Established in 1991, EBRD is an international financial institution that is owned by 66 countries from five continents, as well as the European Union and the European Investment Bank, targeting to develop a sound investment climate and promote environmentally and socially sound and sustainable development.

The council seeks to attract foreign experts to help the companies in their administrative and technical aspects, in addition to developing the exports, the statement said.

It said that there are specialized programs for financing energy efficiency projects and green energy projects.

Sherin Hosny, executive director of the Readymade Garments Export Council, said earlier that Egypt's exports of readymade clothes increased 16 percent in the first quarter of 2018, recording $382 million, compared to $330 million during the same period of 2017.

Source: egypttoday.com- May 22, 2018

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Australia: Booming wool and cotton sharing a common thread

The deep south of America that is, states such as Mississippi and Alabama where fields of cotton dominate not just the landscape, but much of the identity of that entire nation.

You don't have to head too far into NSW to be greeted by those very same cotton fields, albeit without the cultural baggage. The sea of white in autumn around Hay and Griffith is a sight to behold and its bailing into yellow-wrapped bales at the moment creates a spectacular landscape.

The rapid spread of cotton from northern NSW to the south has been nothing short of remarkable.

Here is a crop that has long needed hot conditions and plenty of water to grow the bulbs that ultimately provide much of what we wear.

But advances in science, coupled with a touch of climate change, has enabled cotton to be grown in colder climes even, in some isolated cases, crossing into Victoria.

Cotton is one of the incredible stories of modern Australian agriculture. The industry has sprung from a near-boutique northern NSW industry to become a national powerhouse that is spoken of in the same breath as beef, wheat and dairy.

The great irony of the southern advance of cotton is that it now dominates vast expanses of the Riverina that were, less than 20 years ago, home to Merino sheep laden with wool, that Golden Fleece on which Australia once rode, and the great competitor of cotton.

So, you'd think that cotton must be riding high at the expense of wool.

Not so.

Wool is going gangbusters.

Nearly each week, it hits a new record price. Today, it is likely to hit another, breaking the once-unimaginable $20 a kilogram mark. Twenty years ago, it bottomed out at $4.65 a kilogram.

For long-suffering wool growers, that is manna from heaven.

It seems only yesterday the industry was on the verge of oblivion, producing a fibre no one really wanted. A vast stockpile of wool depressed prices for decades, forcing many growers to bail out to produce sheep for meat or go cropping.

Indeed, the Western District of Victoria, once dominated by Merino sheep, is now a sea of crops.

But it is the cotton-wool dynamic that is now the most interesting.

Cotton consumption worldwide is streets ahead of wool, accounting for more than 30 per cent of all fibre, while wool sits about 4 per cent.

Despite that gap, they have always been arch rivals. But both have found their places in wardrobes — cotton dominating everyday wear, while wool is now not just the corporate go-to, but a rising player in the sports arena.

Wool researchers are furiously working to make a mark in the sportswear market, even developing woollen runners.

Wool even recently sponsored the Boston marathon, a concept that would have been unheard of a few years ago.

The simultaneous rise of cotton and wool has much to do with China.

The insatiable demand from the Asian giant, both as a processor and consumer of both fibres, continues unabated. Huge processing plants across China clothe an exploding local middle class, as well as produce cloth for Europe.

China is already the world’s biggest cotton grower, producing more than eight times that of Australia annually. Yet it needs ours to fill demand.

It is very rare for two competing commodities to be simultaneously riding a high.

Yet, for now, both wool and cotton appear to have found their place in the sun.

Source: weeklytimesnow.com.au- May 23, 2018

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China says hopes to work with Japan, South Korea on FTA as soon as possible

China hopes to work with Japan and South Korea to reach a mutually beneficial free trade agreement as soon as possible, the Chinese commerce ministry's spokesman said on Thursday.

China and South Korea will complete the second phase of their free trade agreement negotiations as soon as possible to boost trade, the ministry's spokesman, Gao Feng, said at a regular news briefing.

Source: euronews.com - May 24, 2018

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Rwandan, Ethiopian leaders to visit Chinese-built industrial park

Ethiopian Prime Minister Abiy Ahmed and Rwandan President Paul Kagame will visit Ethiopia's flagship Hawassa Industrial Park on Friday, the Ethiopian government said Wednesday.

The Ethiopian Government Communications Affairs Office (GCAO) said in a statement that Kagame, during his three-day official visit to Ethiopia, has scheduled to visit the Chinese-built industrial park.

The industrial park, which the Ethiopian government considers as a model for the construction of other industrial zones across the country, has proved successful immediately after its inauguration in July 2016, mainly by attracting various world-class textile and apparel companies to the country.

According to the statement from GCAO, Kagame's visit to the Hawassa industrial park and other infrastructures in Ethiopia is expected to share the positive aspects of Ethiopia's experience on the sector to Rwanda.

Built by China Civil Engineering Construction Corporation (CCECC), the Hawassa industrial park, located in Ethiopia's southern city of Hawassa, was completed in a record time of nine months.

The Ethiopian government has previously disclosed its plan to generate close to 1 billion U.S. dollars in annual revenue from the park once it starts operations at its full potential.

The industrial park has attracted world-class textile and apparel companies to Ethiopia, including PVH, a company known for marketing diversified portfolio of brands including Calvin Klein and Tommy Hilfiger.

Ethiopia and Rwanda signed 11 bilateral agreements across multiple sectors last year as part of the visit of Ethiopia's former Prime Minister, Hailemariam Desalegn, to Rwanda.

Source: xinhuanet.com - May 23, 2018

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Why NZ-made fashion is hanging by a thread

World provoked outrage when it was caught selling foreign-produced T-shirts as New Zealand made. But has it become too hard to manufacture in this country? By Katie Ruscoe of The Wireless.

The Auckland warehouse of fashion fabric supplier Hawes and Freer is buzzing with activity: The company's small team chat as they cut yardage, press buttons and log orders for a roll-call of some of New Zealand's top designers.

Ask owner and industry veteran Trevor Hookway about the state of our wider rag trade, though, and he paints an altogether less active and cheerful scene: "In terms of investment and government support, it really is our forgotten industry."

If the country's garment sector had indeed been forgotten, recent T-shirt-shaped events brought it back to public attention. Earlier this month, leading fashion brand World was caught selling foreign-manufactured T-shirts as New Zealand made. Designer Dame Denise L'Estrange-Corbet, known as a staunch advocate for manufacturing locally, defended her company's move, saying it had no choice but to use foreign-produced materials as Kiwi factory after Kiwi factory closed down. Was her gloomy take on the local scene accurate, and if so, is New Zealand-made fashion soon to be nothing but a memory?

It's a subject Hookway is eager to talk about, and the way he eagerly offloads suggests it's one that weighs heavily, too. He's spent most of his life in the fashion trade – working his way up from warehouse floor ("I needed to make a bit of extra money during uni") to buying Hawes and Freer with his wife, Merran, in 1985.

During his career, he's witnessed large-scale closures and the death of arts forms and is now increasingly worried about the industry's future. On the day that we meet he's processing the news that two of his fellow fabric suppliers - Cooper Watkinson Textiles, and the fashion division of Charles Parsons Fabrics - are closing.

"It really keeps coming back to the fact that if you're a local manufacturer paying a fair wage to have garments made, there's no way you can compete with an offshore manufacturer who's paying $1.50 an hour," he says.

The removal of import licences in 1992 (allowing anyone to import clothing), and subsequent lowering of tariffs over the following decade have had a particularly devastating and lasting effect on what was once a booming local industry, he says.

"You once had big factories from Morrinsville to Levin to Rangiora that could produce a garment from start to finish. There was labour available, and there was significant investment. That's just completely gone now."

Now the local market is flooded with imported clothing. In 1989, clothing imports were worth $129 million per year, by 1999 that figure had jumped to $600m, and today the total value of clothing imports [not including footwear or textiles] is over $1.5 billion.

Cheap imports have wiped out the majority of New Zealand's mass-market manufacturers. Most had disappeared by the early 2000s and in 2009 the two largest remaining players, Pacific Brands and Lane Walker Rudkin, ceased production. All that's left now, says Hookway, is a small handful of larger manufacturers and suppliers, and a country-wide "almost unofficial" network of piece-work pattern-makers, contract machinists and finishers – each one jealously guarded by local designers who, as Hookway points out, have good reason to be possessive:

"On the garment manufacturing side of things you've got about 3000-4000 people working through the country – and that workforce is hardly being regenerated – but on the fashion design side you've got 600-700 fashion students from Whangarei down to Invercargill graduating every year."

The scarcity of practical knowledge and skill is putting an increased squeeze on local designers already struggling with wafer-thin profit margins, and intense competition from cheap, fast fashion, he says.

"You just don't realise how hard a lot of these designers work, especially the up-and-comers," he sighs.

"They've got high rents, high overheads, and the only way they can increase their margins is by buying for less and selling for more – you can see why they're being forced into going overseas."

"I guess I was just sick of being cynical about how shitty the world was," laughs Marina Davis, as she explains what led her on to the particularly obstacle-laden path of creating an ethical, sustainable New Zealand fashion brand.

The Auckland-based designer launched Ovna Ovich in 2013, and from the get-go has given as much consideration to the environmental and social impact of her fabric choices as the shape, cut and style of the garments they become.

"I wouldn't have started if I wasn't able to do it as responsibly as possible," she says.

The virtues of each garment that leaves her small K'Rd studio are listed on their swing tag – a blouse of gossamer, inky-blue silk, for example, ticks the boxes for found, renewable, and biodegradable fabric, while a close-fitting T-shirt has been hand-dyed custardy yellow using eucalyptus leaves foraged after a recent Auckland storm. All her pieces are made locally, and it's this that's proving most challenging for the up-and-coming label.

"Production is always difficult. I think everyone finds it hard whether it's offshore or local; every place has got its own tricky things. But manufacturing in New Zealand is definitely very expensive and very, very time consuming because it's near impossible to find a factory that does everything under one roof." Davis currently works with manufacturers scattered across Auckland, as well as one in Wellington, meaning garments often have to pass through many hands – and postcodes – before they're finished.

She pulls out a pair of organic cotton, Seventies-style jeans as an example: "There are only a few places left that have a bartack machine [used to sew reinforced stitching], so you find a good place to sew your jeans – which is really hard because a lot of places refuse to work with denim – you then you have to ferry them across town for finishing."

The added time and cost of production bites especially hard for the designer, coming on top of the premium she pays for her all-important fabrics – those high quality, transparent-supply-chain linens, silks and organic cottons don't come cheap.

"Working with these sort of materials is expensive, manufacturing locally is expensive – doing both at the same time is really expensive! At the moment I don't have much of a profit margin."

Davis can't rule out taking production offshore in the future, likely to a boutique, Social Accountability Accredited factory in India. It will be a difficult call for a label that values its local story, but ultimately, for Davis, sustainability comes first.

"I personally believe that in order to make things better [in the wider fashion industry] we need to look at the kind of fibres we're using and at the processes we're using to take that fibre and turn it into a finished fabric – that to me is possibly more important and more urgent than keeping manufacture local."

Click here for more details

Source: nzherald.co.nz- May 24, 2018

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Documents for $60 mn signed at Kazakh-Uzbek forums

A number of bilateral documents between Kazakhstan and Uzbekistan were signed in the city of Shymkent within the framework of the business forum on May 22, Central Asian media outlets reported.

The forum was held with the participation of officials from two countries and hundreds of entrepreneurs.

Participants of the forum, organized by the Chamber of Entrepreneurs of the South Kazakhstan region, reportedly discussed the creation of joint projects, exports and imports of products, and interaction with the goal of entering the markets of other countries.

Eight documents for $62 million were signed within the framework of the forum.

The akimat of the South Kazakhstan region and the Uzbek company Alliance textile signed a memorandum on the intention to invest in the textile industry of the region. A memorandum on rehabilitation of the textile enterprise between Ontustyk special economic zone and Kazakh enterprise Kaztehinpex was also inked.

At the same time, the akimat and Uzbek company Dentafil Plus signed a memorandum on the construction of a factory for the production of medical products. During the business forum, the first meeting of the business council was also held.

Earlier, First Deputy Premier of Kazakhstan Askar Mamin said that Uzbekistan is the largest trade partner of Kazakhstan in the Central Asia. He underlined that the trade turnover between the countries increased by 50 percent in the 1Q2018 compared to the 1Q2017.

"We are planning to increase the bilateral trade volume to $3 billion by the end of 2018, taking into account the considerable potential in increasing the mutual trade turnover," Mamin added.

Uzbekistan has recently made efforts to establish closer political and economic relations with neighboring countries. Changes in the foreign policy course of the country occurred after Shavkat Mirziyoyev came to power in 2016. Official Tashkent said that its priority in foreign policy is to improve relations with the states of Central Asia.

Source: azernews.az- May 23, 2018

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What governments can do for the losers from free trade

When I joined the Economic Policy Institute in the early 1990s, we were among the only economists documenting how certain groups of workers and their communities were increasingly displaced by trade. The unions were our allies, but from the centre left to the right, we were castigated as protectionists who failed to understand the basics of comparative advantage.

At the time, the elite consensus was that everyone benefits from trade, and any "transitional costs" were quick and painless. Our growing trade deficits were nothing more than evidence of other countries' willingness to lend to us, so we might happily consume more than we produce.

Not only could all this clearly be seen in the data to be empirically false (later verified by careful academic work), but it was inconsistent with trade theory, which unequivocally predicts that production workers in the rich country will be hurt by expanded trade with poorer exporters.

Globalisation's cheerleaders did globalisation no favour by ignoring the losers

It is now clear that globalisation's cheerleaders did globalisation no favour by ignoring the losers. In fact, they helped deliver President Donald Trump unto us, a claim for which there is also some empirical evidence. History has repeatedly shown that a reliable way to fuel nationalistic, insular, populist politics is to ignore the downsides of disruptive economic change.

Now that we're finally more "woke" regarding trade's downsides, how can we help those left behind in its wake? The policy agenda should be guided by a phrase recently offered by French President Emmanuel Macron: "protection, not protectionism".

Most essentially, workers displaced from high-value-added jobs need their income replaced, and, for cultural, political and dignity reasons, it should be through work. That doesn't imply bringing back jobs that are lost, but it does require policy to go further than supply-side-only interventions, like training or education support. Specifically, we need a programme where the government creates jobs in places where there are too few employment opportunities.

An economist's typical response to geographical job deserts is mobility: families should go where the jobs are, which in America tends to mean to move from the heartland to someplace where you can get a soy-skim latte on any corner. In fact, research shows such mobility has long been trending down, meaning policy is going to need to bring jobs to workers.

This could take the form of either public or private (with a wage subsidy) jobs in infrastructure, including green infrastructure: insulation, renewable installations, upgrading public buildings, including public schools (which really need the help). Technical service jobs will also be important in this space, like health-care technicians. These positions will often require retraining. The apprenticeship model—earn while you learn—is a natural for this population.

History has repeatedly shown that a reliable way to fuel nationalistic, insular, populist politics is to ignore the downsides of disruptive economic change
Subsidised jobs, however, often pay too little for middle-age workers to support their families, even assuming a working spouse. This calls for expanded wage benefits that go far beyond our paltry "trade-adjustment assistance" programmes (displaced manufacturing workers refer to TAA as "burial insurance"). Boosting the Earned Income Tax Credit, a wage subsidy with bipartisan support, would help too. It is no coincidence that Sherrod Brown, a Democratic senator from Ohio who is acutely aware of the struggles of families hurt by trade, co-sponsored a bill to expand the EITC.

To manage their costs, it is necessary for subsidised jobs to be time-limited. Even a generous programme of the type now under discussion would rarely support positions for more than a couple of years. So there needs to be an investment component to help generate lasting private-sector economic activity. However, investment capital has long abandoned most rustbelt areas.

An interesting potential solution may be “opportunity zones” (OZs). Created in the 2017 tax plan, OZs create a tax incentive for investors to commit capital gains to funds that must invest in left-behind places. Previous place-based investment policies have not been particularly inspiring, but OZs are designed to incentivise more patient capital, which is what’s needed if they are to make a lasting difference. The programme is in its infancy, but initial concerns that the tax breaks would go to gentrifying areas, as opposed to places that really need the help, do not seem to be realised.

If this agenda sounds like it’s giving up on manufacturing employment, let me emphatically correct that. First, there is a need for an independent commission to analyse what’s realistic in terms of preserving or expanding our factory sector. While most lost jobs are not coming back, could investment policy create the opportunity for America to claim market share in new industries, such as battery production? Could we expand our existing Manufacturing Partnership programme to help our small manufacturers grow by connecting them with global supply chains?

The policy agenda should be guided by “protection, not protectionism”

If your answer to this is “we don’t pick winners,” then a) you’re wrong (look at our tax code), b) you’re stuck in the old thinking that got us into this mess in the first place, and c) let’s see what a non-partisan commission led by scholars without thumbs on the scale comes up with.

Finally, we need to recognise that trade deficits are far from benign. Mr Trump is, of course, wrong to consider them scorecards. But left unchecked, they can make weak economies weaker and even at full employment, they hurt export-sensitive places and sectors.

This doesn’t mean we should pursue balanced trade. It means—and note that this view is increasingly held by mainstream economists—that we should rigorously push back on countries that manage their currencies to boost their trade surpluses and our deficits.

The venerable theory of comparative advantage never argued that trade created only winners. Rather, it correctly and powerfully argued that increased trade could generate enough benefits that the winners could compensate the losers and still come out ahead. But it is an economic theory, devoid of politics.

If we want to help globalisation, we'd better start helping those hurt by it

In the American case, it's not simply that the winners have failed to compensate the losers. It's much worse: they've used their winnings in our pay-to-play political system to buy politicians and policies to protect and build on their winnings at the further expense of the losers.

Given that model, it's no surprise that those on the wrong side of globalisation would push back against it, or that some charismatic, faux-populist would surface to represent their legitimate grievances. In other words, if we want to help globalisation, we'd better start helping those hurt by it.

Source: economist.com- May 24, 2018

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NATIONAL NEWS

Country-wide intra-state e-way bill system mandatory from June 3

The e-way bill for moving goods within a state will become mandatory from June 3, with the country-wide roll out of the mechanism.

The government had launched the electronic-way or e-way bill system from April 1 for moving goods worth over Rs 50,000 from one state to another.

The same for intra or within the state movement has been rolled out from April 15.

So far, 20 states/Union Territories have made e-way bill mandatory for intra-state movement of goods. These states include -- Gujarat, Uttar Pradesh, Rajasthan, Assam, Karnataka, Kerala, Madhya Pradesh and Haryana.

In a letter to officers in the Central Board of Indirect Taxes and Customs (CBIC), Chairperson Vanaja Sarna said intra-state movement of goods would be implemented throughout the country by June 3, 2018.

"Hence, I would reiterate that the Chief Commissioners of the remaining zones should co-ordinate with the state authority and get the requisite notification issued as early as possible. Also, steps may be taken to publicise the date of its roll out along with exemptions provided," Sarna wrote.

Sarna said the e-way bill system is functioning as envisaged and since the implementation of the same from April 1, 2018, more than 4.5 crore e-way bills have been generated.

This includes more than 1.30 crore e-way bills for intra-state movement of goods.

While intra-state e-way bill requirement will become mandatory in the Union Territory of Lakshadweep and Chandigarh on May 25, it will be rolled out in Punjab and Goa from June 1. Maharashtra will roll out the bill from May 31.

Touted as an anti-evasion measure, transporters of goods worth over Rs 50,000 would be required to present e-way bill to a GST inspector, if asked. The measure is expected to help boost tax collections by clamping down on trade that currently happens on cash basis.

The GST Council, in March, decided on a staggered roll out of the e-way bill starting with inter-state from April 1 and intra-state from April 15.

Source: economictimes.com- May 23, 2018

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Remaking 'Make in India': Reform the rigid and multiple labour laws

Indian economy's revival in the third quarter, with a GDP growth rate of 7.2%, has again made it the fastest-growing major economy, leaving China behind.

Indian economy's revival in the third quarter, with a GDP growth rate of 7.2%, has again made it the fastest-growing major economy, leaving China behind. On the back of rising incomes, Indian imports (non-oil) have seen a commensurate rise, increasing from $318.04 billion in 2015-16 to $350.56 billion in 2017-18—a 10.2% rise.

Sectors such as leather, textiles and pharmaceuticals, which have been the mainstay of India's exports in the past, are not only losing their competitiveness, but also face rising imports. This comes at a time when the government's focus is on Make-in-India, which, apart from promoting exports, also aims at making India a major manufacturing giant.

While the scheme aims at attracting foreign investors, it also tries to cut down on (non-essential) imports, thereby encouraging greater domestic production to serve the Indian citizenry. Radical changes and simplifications made to India's FDI policy since Make-in-India have made it one of the most open economies of the world.

FDI limits have been liberalised in sectors such as defence, civil aviation, pharmaceuticals and e-commerce activities. As a result, FDI inflows in the manufacturing sector went from $16.5 billion in 2014-15 to $20.3 billion in

2016-17, a growth rate of 23% in two years. However, with respect to boosting domestic production, Make-in-India is yet to show a significant impact.

To reduce India's dependence on imports and push domestic production, it is important to fix "the nuts and bolts" of the economy, as also pointed out by Kaushik Basu in his book 'An Economist's Miscellany'.

Reforming the rigid and multiple labour laws should be the first step. There are 44 central and 160 state laws for labour. In addition, extensive approvals are required before hiring and firing of workers. These laws force MSMEs, which contribute to 40% of India's exports, to remain small, which, in turn, doesn't allow them to take advantage of economies of scale. While 30% of formal enterprises in India employ only 10-19 employees, the vast majority (91.3%) of firms in the informal sector only have 0-4 employees. Recently, Basu pointed out that a major reason for the success of Bangladesh's garment manufacturing industry is that the main garment firms are large, as compared to those in India.

A larger firm size leads to benefits of division of labour, ease in accessing formal credit markets, labour welfare, higher wages and economies of scale, among other benefits. There is, thus, a need to build a common labour code that motivates firms to grow in size and scale, rather than restricting them, and also rationalises all the existing laws under one code, in a similar way as GST. States such as Rajasthan and Maharashtra have reduced the regulatory burden by changing labour laws.

Maharashtra has allowed factories employing fewer than 50 contract workers to function without registering themselves with the concerned authorities. The threshold earlier was 20. It remains to be seen whether such liberalisation will impact manufacturing.

Second, calculations show that there is a positive correlation of 37.5% between DIPP rankings and manufacturing growth rate rankings of states. These rankings are assigned on the basis of implementation of reforms in areas such as single-window system, construction permits, labour registrations, enforcing contracts, etc.

It leads to a healthy competition amongst states, which, in turn, improves their business climate. We further find that the future manufacturing growth rates of states that come in the top-five DIPP rankings increase by nearly 3% in comparison with other states. This suggests that state governments would be better off if they follow the guidelines provided by DIPP and implement the necessary reforms to make doing business easy in their respective states.

Third and last, India has a cumbersome process of land acquisition that drives up the costs of production significantly for an entrepreneur. It is time to set up a land bank corporation that can conduct a detailed audit of government land available to begin with. Data shows that the quantum of land with Indian Railways not under any operational use is around 1.14 lakh acres.
Similarly, 2.35 lakh acres of non-productive land lies with public sector undertakings (PSUs). Also, the ministry of defence and the Airports Authority of India (AAI) have vast tracts of unused land lying in some of the most populous states.

Odisha, for example, has tried to address this issue by reserving more than 59,718 acres of land under the land bank project. This land bank was created only after the state lost major investments from big-ticket players such as ArcelorMittal and POSCO, who encountered serious problems in land acquisition.

Under this, the state will acquire unused government land instead of going in for land acquisition, which is a complicated process. This land will attract investments from sectors such as steel, aluminium, IT, apparel, etc, which have great employment-creation potential. Subsequently, state governments can also draft a policy for the utilisation and financialisation of land. Doing this will open new means for industry to acquire land and that too at a cheaper rate than what is currently available.

If the above-mentioned changes and reforms are incrementally incorporated in the currently functioning version of Make-in-India by the central and respective state governments, the investors will have greater incentives to produce in these states, improving their manufacturing base. At an all-India level, this will lead to a bigger domestic manufacturing base, aiding the success of Make-in-India.

Source: financialexpress.com- May 24, 2018

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Cotton sowing: State still short of target by 24 pc

With ideal time for sowing already over by more than a week, Haryana has so far been able to achieve only 76 per cent of its target of cotton sowing.

The weekly report of the Agriculture Department for May 22 shows that cotton had been sown on 4.97 lakh hectares against the target of 6.48 lakh.

Agriculture experts recommend that cotton must be sown before May 15 for maximum yield and lower infestation by whitefly and leaf curl virus.
Sources attribute shortage of canal water in the cotton growing districts from the Bhakra canal system and lesser interest in the crop due to lower prices this year as reasons for the phenomenon.

Dr Dilip Monga, Head, Central Institute of Cotton Research (CICR), Sirsa, confirmed that the sowing this time was quite low both in Haryana as well as in Punjab despite their specific recommendations that it should be completed between April 15 and May 15.

He said late sowing could lead to infestations by whitefly and leaf curl virus thereby affecting the yield badly.

"In 2015-16, a year after one of the worst attack of whitefly and leaf curl virus on cotton crop in the region, the CICR had conducted trials in Northern India for the impact of these infestations on cotton sown on May 15 versus the crop sown on June 7. We found the infestations were much more in the late sown crop and the yield remained one-third in the crop sown on June 7 as against that sown on May 15," said Dr Monga.

Gurdeep Singh Mann, a farmer from Kirpal Patti in Sirsa, said that failure of cotton last year and prolonged closure of the Bhakra canal were the major reasons for lower sowing.

"The recommended pre-irrigation for cotton sowing is canal water as it is much superior to any borewell water. Cotton growers kept waiting for canal water and the optimum time for cotton sowing was lost," Mann said.

Agriculture Minister OP Dhankar said that things were beyond the control of the government as water in the Bhakra reservoir was short and the state was proportionately getting 2,000 to 2,500 cusecs less than normal supply.

"Due to lesser allocation of water these days, the farmers are getting water for one week followed by closure of channels for two weeks, while during heydays, it was two weeks of supplies followed by two weeks of closure," Dhankar said.

Source: tribuneindia.com- May 23, 2018

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What's trending in the fashion industry

People no longer consider apparels as a durable item, to be shopped seasonally, instead, they chase latest trends and hunt for bargains

The global consumer spending on fashion crossed US$1.5 trillion in 2015. India's fashion retail market is itself set to grow to US$115 billion by 2026. However, Indian fashion and textile brands need to warm up to the emergence of a new connected consumer, well synced with the latest in global apparel and fashion trends, if they are to capture their due share of this growth.

In our recent research across the global textile value chain, we found five key trends shaping the future of global fashion and apparel industry. Remarkably, these trends apply as much to the Indian consumer as they do to an American or a British. Our data shows that fast fashion is exploding in influence; as shoppers in India and elsewhere around the world shift to value-for-money fashion, aligned with the latest global trends. People no longer consider apparels as a durable item, to be shopped seasonally; instead, they are now chasing latest trends and hunting for bargains. Clothes are seen as disposable and modern consumer's closets which can be full of many impractical and infrequently worn items.

Emergence of fast fashion

Apparel brands are forced to embrace what we are calling 'a new design paradigm' to create collections faster and at lower Research and Development (R&D) costs. The traditional design process with a three-six months time frame was designed for seasonal collections. It has now given way to a 'curation over creation' strategy for monthly collections with a shorter time frame of two months. As a result, players across the textile value chain must reduce lead times.

Rise of fit customer and wearable fashion

The rise of the 'fit' customer is another megatrend fueling the demand in activewear and sportswear. Worldwide, there is a cultural shift towards sports including running as part of a growing emphasis on fitness, especially among the urban population. Technology is getting integrated as part of wearables. There are smart clothing items in the market with embedded health sensors and medical monitors. Outside of apparel too, fitness wearables that sync to smartphones have gone mainstream.

Viable eco-friendly products

The third trend is visible in how progressive apparel companies are addressing the latent consumer demand for environment-friendly clothes. US-based Patagonia is an early adopter of recycled materials and organic cotton usage in its apparel. While the Denali jacket from The North Face is made with recycled yarn, recovered from fabric scraps and recycled bottles, which uses less water for dying. From a composite value chain perspective, downstream companies like Bolt Threads have developed bio-synthetic fibers that harness natural proteins; as an alternative to petroleum-based fabrics like polyester or nylon. Patagonia is, in fact, a key user of these alternatives, eco-friendly fabrics.

Preference to product personalisation

Fourth, product personalisation is going mainstream rapidly, creating whole new revenue streams and possibilities for agile brands. Thursday Finest offers custom-tailored merino wool socks that are made on demand using 3D knitting machines to a customer's specifications: size, shape, and colors. US-based MTailor has embraced smartphone-based personalisation for suits, shirts, and jeans – customers provide measurements and place the order on phone, and get the products shipped via mail. Bombay Shirt Company in India has embraced a similar model. Further, several mainstream jeans brands have started offered personalised fits.

Fulfillment of personalised fashion requires brands to re-engineer their entire value chain, use cutting-edge technology for collaboration and communications and forge new types of vendor relationships to ensure express deliveries; for the customer does not like to wait.

Diversifying product segments

The fifth trend is specific to India and to women wear as a category. Women and kids wear categories are growing faster with a 13 percent and 17 percent CAGR respectively between FY 2010-2015 than menswear at 11 percent. The per capita apparel spending is also highest for kids, followed by women and men. Further, within womenswear, western and Indian ethnic segments are growing faster, with 21 percent and 17 percent projected CAGR between FY 2015-2020 compared to saree at 6 percent CAGR. As saree moves to an occasional wear category, we believe brands with single product focus will be severely impacted.

Indeed, companies like Garden Vareli have already diversified their product portfolio to include non-saree ethnic and western wear. Globally too, apparel brands have sought to diversify products across customer groups to mitigate single-product risks. Ralph Lauren, for example, today has multiple product lines for women, men, kids and even home furnishing.

Embracing digital technology

Finally, three is a clear emergence of e-commerce as a popular channel for fashion and apparel buying – a recent A.T. Kearney-Google study found that 84 percent of respondents claimed to have bought apparel online in the past three months; compared to 79 percent who bought electronics and 52 percent who bought groceries.

The onus on apparel brands is clear. They must collaborate with not just downstream players, but even upstream players to innovate and develop products. For example, Levi's collaborated with Google to launch a Commuter jacket targeted at millennial urban cyclists that use conductive yarn and offers touch-based interactivity with a smartphone – allowing users to accept or decline calls, access music or navigation by gestures right on the jacket. Nike on the other hand innovated with fabric with fibers that open up to increase breathability when sweating and close when the wearer is cooling down. A brand like Uniqlo has, in fact, carved a unique differentiated positioning by using technology innovations: their Heattech innerwear for winters is 100x warmer than regular cotton.

More importantly, India's fashion and textile industry need to recognize that the modern Indian consumer is no different from her counterparts in the west. Local brands and manufacturers, who can become distinctly homegrown leaders, will be crucial for enhancing India's garments industry competitiveness on the global stage. To do so, they must focus on product innovation and development, invest in brand building and customer engagement, create flexibility in manufacturing and supply chain and finally, demonstrate savviness in embracing digital technologies. Trend-spotting, in this case, is a lucrative business indeed.

Source: forbesindia.com- May 23, 2018

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Grasim to invest Rs13,000 crore in textile, cement business

Aditya Birla Group firm Grasim Industries will invest over Rs13,000 crore in its textile and cement businesses over the next 24-36 months, as the company looks to increase capacity and modernise production, a senior official of the group said on Wednesday.

On a standalone basis, the total capex for Grasim Industries' textile business stands at Rs6,427 crore, which is to be utilised by the company till financial year 2021, Aditya Birla Group's chief financial officer Sushil Agarwal said.

"The board of directors (of the company) today also approved an additional Rs1,000 crore investment into the chemical business, taking Grasim Industries' standalone capex plan (for its textile business) to Rs7,427 crore (till FY2021)," Agarwal said.

Grasim Industries, which also includes the group's cement business, UltraTech, will invest Rs5,900 crore on capex to modernise its existing cement plants and carry out environmental upgradation and ramp up capacity of assets it acquired from Jaiprakash Associates.

On a consolidated basis, Grasim Industries will invest more than Rs13,327 crore in capex into its textile and cement businesses till financial year 2021.
"Cement plants belonging to Jaiprakash Associates were running at 15-20% capacity when we acquired them in June last year," Agarwal said, adding that

the Kumar Mangalam Birla-led company has been able to turn around the assets and run them at 75% capacity in less than a year.

"On average, Indian cement plants run at 75% capacity. However, UltraTech plants run at over 85% capacity," Agarwal said. "The aim is to run Jaiprakash Associates' cement plant at over 85% capacity in future," he said. Grasim Industries plans to fund almost the capex from its cash flows, but it could look to raise debt if the circumstances require the company to do so.

"Grasim Industries, having generated Rs3,500 crore as EBITDA during FY18, has surplus cash on its balance sheet. Our balance sheet also allows us an option to raise up to Rs12,000 crore in debt to grow, in case of a short-term mismatch," Agarwal said, adding that the priority of the company would be to fund its capital expenditure from its cash flows.

Grasim Industries on Wednesday reported a consolidated net profit of Rs853.62 crore for the quarter ended March 2018. Revenue rose 47.8 % at Rs4,605.55 crore during the same period.

The company is expected to focus on its viscose staple fibre (VSF) business to register growth and expand its market in India.

"Viscose is eating out of other fiber markets. Our domestic fiber business has grown by 22% (annually) during the March 2018 quarter," said Grasim's managing director Dilip Gaur, adding that the bulk of the growth in the textile business is expected to come from the company's VSF business in the future.

Meanwhile, the merger of Idea Cellular, the telecom arm of the Aditya Birla Group, with the Indian arm of global telecom major Vodafone Plc, is expected to be completed soon.

"The Idea-Vodafone merger is on track and should happen soon though it is very difficult to put a date on it as the final approval is pending with the department of telecommunications," said Sushil Agarwal, adding that he is hopeful that the consumption in the country would pick up over the next couple of years.

Source: livemint.com- May 23, 2018

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Maharashtra government to deploy drones to spray insecticide on cotton crop

The flying machines are used extensively in the United States and other developed countries for spraying chemicals and surveillance of crops.

Taking a leaf out of the agricultural practices of developed nations, the state Agriculture Commissionerate, for the first time, is going to use drones to spray insecticide over cotton crop this year. The pilot experiment is being planned in Yavatmal district, said Subhash Nagare, joint director of agriculture, Amravati division.

Right now, officials of the Department of Agriculture, as well as the revenue department, were looking for a suitable plot for the project, he said. “The selected field should not have any high-tension electric poles or large trees,” said Nagare.

As permission from the Directorate General of Civil Aviation (DGCA) is necessary to fly a drone, the necessary modalities are being worked out.

Commissioner of Agriculture, Sachindra Pratap Singh, said the experiment would be closely monitored to check whether it was feasible for other cotton fields. “A large number of permissions are necessary for operating drones and we are working on those,” he said. The Commissionerate will also check the economic viability of the project during the pilot experiment.

For the pilot project, the department will sign a MoU with a start-up, which had come up with this particular idea.

Last year, 18 agricultural labourers had died in Yavatmal after they accidentally inhaled fumes while spraying chemicals on the field. The incident had raised serious concerns, as the labourers reportedly didn’t have adequate safety gear, and some activists had even sought a ban on such chemicals.

Welcoming the move, Kishore Tiwari, chairman of the state government’s committee to combat farm distress, said it would reduce the handling of chemicals by workers. “However, proper care needs to be taken while operating the drones, to avoid spraying over water bodies,” he said.

The usage of drones in agriculture is not a new concept, but in India, it is still in its nascent stage. The flying machines are used extensively in the United States and other developed countries for spraying chemicals and surveillance of crops.

Source: indianexpress.com- May 23, 2018

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Now, foreign ships can move commodities on local routes

Items must form at least 50% of all cargo

Foreign-flagged ships will be allowed to transport agriculture, horticulture, fisheries and animal husbandry commodities between Indian ports without a licence, the Shipping Ministry said in an order issued on Tuesday in a second round of cabotage relaxation.

On Monday, the Ministry had eased cabotage rules by allowing foreign-flagged container ships to carry export-import (Exim) containers for transshipment and empty containers on local routes without a licence.

Local route access

Only Indian registered ships are allowed to ply on local routes for carrying cargo, according to India's cabotage law.

Foreign ships can operate along the coast only when Indian ships are not available, after taking a licence from the Director-General of Shipping, according to the rule that was designed to protect local ship owners.

The cabotage relaxation granted to foreign flagged ships for carrying agriculture, horticulture, fisheries and animal husbandry commodities specified in the Indian Trade Classification (ITC), Harmonised System (HS) of the Director-General of Foreign Trade, Union Ministry of Commerce and Industry, is conditional on such commodities contributing to at least 50 per cent of the total cargo on board the ship, PK Sharma, Under Secretary in the Shipping Ministry, said in the May 22 order reviewed by BusinessLine.

Commodities

These commodities are meat and edible meat offal, fish and crustaceans, molluscs and other aquatic invertebrates, dairy produce, bird's eggs, natural honey, edible products of animal origin (not elsewhere included), vegetables and certain roots and tubers-edible, fruits and nuts- edible, peel of citrus fruits or melons, coffee, tea, mate and spices, cereals, products of the milling industry, malt, starch, inulin, wheat gluten, oil seeds and oleaginous fruits, miscellaneous grains, seeds and fruit, industrial or medicinal plants, straw and fodder, vegetable plaiting materials (not elsewhere specified or included), animal or vegetable fats and oils and their cleavage products, wool prior to yarn formation, cotton, prior to yarn/thread formation, vegetable textile fibres such as flax, hemp and jute.

Water-borne transportation modes, including coastal shipping, being comparatively cheaper modes of transport would enable farmers to access a larger market profitably, widen the range of goods which can be marketed, and lengthen the distances over which domestic trade can be conducted, according to the ministry.

The national perspective plan of Sagarmala programme estimates a potential of more than 9 million tonnes a year for coastal movement of food grains and processed food.

Source: thehindubusinessline.com- May 24, 2018

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H&M to increase sourcing from India

Swedish retailer H&M, which has been sourcing home textiles from India for nearly three decades, is now keen to improve its sourcing of garments from the country.

"India is better placed as a supplier for us. Several of our SKUs in the H&M Home brand are sourced from India. We have asked our Indian suppliers to find out ways on how we may improve sourcing from India," informs Country Manager, Janne Einola.

H&M has committed an investment of US $10,53 million in the Indian market.

Einola plans to introduce H&M Home and cosmetics in the country, but is waiting for the right timing to introduce them.

Unlike the Western markets, where several stores reported unsold goods, affecting margins of the company, H&M India has not had any such issues.

Source: fashionatingworld.com- May 23, 2018

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Gujarat success in checking pink bollworm catches Maharashtra attention

Gujarat's success in controlling pink bollworm's resistance to Bt cotton has caught the attention of Maharashtra, a major cotton producing state. There is a general consensus among the industry people that if Gujarat could control the pest attack, Maharashtra could take the same route. This season, cotton ginners in Maharashtra have decided to take the lead and go to farmers persuading them to adopt good practices for cotton cultivation.

The Khandesh Gin/Press Factory Owners Association has begun an aggressive campaign in Jalgaon — a major cotton producing belt in the state — with the help of major cotton institutes, including the the South Asia Biotechnology Centre (SABC). Dr CD Mayee, president, SABC visited Jalgaon to tell farmers on how to go about preventing any form of pest attack.

More such campaigns will be held across Khandesh region and a 'Cotton Recipe Book' is being published soon for farmers before sowing begins. The book will contain details on what goes into the making of a good healthy crop and farmers will be advised on good practices from the day of the sowing operations on maintaining distance between two saplings to the use of herbicides, fertilisers and duration of the crop itself, Pradeep Jain, president, Khandesh Gin/Press Factory Owners Association said.

The book also provides for helpline for farmers with phone numbers so that they can speak personally with experts on issues related to his crop, he added.

Villages will be advised to go in for one or two varieties of cotton, to go for pickings at the same time, retain cotton only for 140 days so that the pest does not proliferate and also use Phermone traps in case the problem gets serious. Farmers are told to terminate the standing cotton crop before end of February to break the life cycle of the pink bollworm, The recipe books will be distributed through ginning units to farmers.

This is the first time, the association has come out with a book of this nature. For the last couple of years, cotton ginners in Maharashtra had begun an effort in the state to improve productivity of cotton after they discovered that cotton from Gujarat commanded a higher price.

What began as an effort to mentor some 40 farmers in 10 talukas of Jalgaon district, resulted in 50-70% improvement in productivity. The yield which was usually 8-10 quintals, rose to more than 15 quintals. With sowing expecting to commence by May 30, the association has repeated the effort this year along with more focus on pink bollworm this season.

“This is an effort to increase awareness among farmers and we have succeeded to some extent,” Jain said, adding that the association has brought in in experts and stakeholders including more seed companies and fertiliser firms to advise farmers.

Source: financialexpress.com- May 24, 2018

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