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US 68.99| EUR 76.90 | GBP 85.83| JPY 0.64

Cotton Market		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21244	44400	**82.01**
Domestic Futures Price (Ex. Warehouse Rajkot), July		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21440	44810	**82.77**
International Futures Price		
NY ICE USD Cents/lb (December 2019)	63.73	
ZCE Cotton: Yuan/MT (September 2019)	13,205	
ZCE Cotton: USD Cents/lb	87.07	
Cotlook A Index – Physical	**74.45**	

Cotton Guide: The cotton market participants are now in a mood to wait and watch. The International market is calm at the moment. The Volumes are low. Yesterday's total volumes were seen at 15,582 contracts. We are expecting the market to be jittery tomorrow evening with the release of the export sales data. We need to note that this would be the last export sales data for the US cotton marketing year 2018-2019. The market is also waiting for some positive results with respect to the yearlong trade war between US and China, as their representatives are scheduled for a meet next week.

The ICE cotton futures did not show dramatic changes. The most active ICE December contract settled at 63.73 cents/lb with a change of +37 points. The ICE March 2020 contract settled at 64.52 cents/lb with a change of +37 points. The changes were slightly positive across the board.

The MCX cotton futures are on the other hand emanated consolidation. The trading range was decent with span of 320 Rs for the most active July contract. It settled at 21,440 Rs/Bale with a change of +50 Rs. The MCX August contract settled at 20,940 Rs/Bale with a change of +70 Rs. The total volumes were at 2,454 lots which are considered as an average in the recent days.

The Cotlook Index A has been adjusted slightly ahead at 74.45 with a change of +0.25 cents/lb. The Cotlook Index A 2019/2020 has also been adjusted at 74.00 cents/lb with a change of +0.25 cents/lb. The average prices of Shankar 6 are unchanged at 44,400 Rs/Candy.

“With the cotton seed sowing almost complete, Maharashtra, one of the largest cotton producing states in India has received 70% rainfall below average”, said Hon. Chief Minister of Maharashtra at a Cotton Marketing conference held yesterday at Mumbai. Therefore rainfall is turning to be a bit of a concern for the cotton farmers at the moment. However, Cotton being a very robust crop can survive the conditions brought forth by the lesser rainfall to certain extent. This is not true for other agri-commodities.

The crop conditions in the United States are seen to be on the brighter side which can further add to the bearishness. USDA increased the total good to excellent percentage by 4% to 60%. Texas, which is the highest producing state, was rated at 58% Good to Excellent. Georgia, was rated at 60% Good to excellent.

Very few Top Indian mills are seen to import miniscule amounts of cotton at these prevailing international prices. The situation is varying from mill to mill as we can see a contrast now, where the spinning mills in Gujarat have resorted to cut their production by 15%. This production cut expected as the yarn stock piles are getting higher which is the main reason for the prevailing bearishness. Exports are out of equation at the moment for Indian suppliers. There is some kind of small scale demand from the Bangladesh mills. The economical African cotton is being exported to Bangladesh in small amounts.

On the technical front, ICE Cotton futures continued to remain in a sideways trend since the beginning of the week. Price rallied towards the trend line resistance, which also coincides with the 9 day EMA at 63.50 levels. Meanwhile price is trading in a downward sloping channel with higher band of the channel (resistance) exists around 64.80-65.50 zones. The strength index (RSI) in the daily charts is still under 50, which needs to move beyond 50 to change the bearish bias in cotton price, until then it could remain in the sideways to downside bias. However, divergence between price and the momentum indicator restricted the lower side for cotton futures. So for the confirmation of the same price need to sustain above the 64.70-64.80 zone along with RSI above 50. Only a close above 64.80 would push price towards 65.50. On the downside support exists around 62.35, followed by 61.80. So for near term price is expected to consolidate in the range of 61.00-64.70 with downward bias. In the domestic market MCX July future is expected to trade in the range of 21250-21650.

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

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INTERNATIONAL NEWS

World cotton trade and stocks higher in 2019-20: USDA

Global cotton trade in 2019-20 is forecast at 44.2 million bales, 7.5 per cent above 2018-19, according to the US department of agriculture (USDA). As global cotton production is projected to exceed mill use once again, world ending stocks are forecast at 80.4 million bales in 2019-20, a 1.2-million-bale increase over stocks at the end of 2018-19 season.

With total cotton trade up 3.1 million bales, exports from the United States and Brazil account for the majority of the increase. The United States is forecast to boost its shipments by 2.5 million bales (17 per cent), as increased supplies and higher foreign import demand in 2019-20 support higher exports.

Brazil will also have increased supplies from its record crop in 2018-19, with exports there forecast to rise 1.8 million bales (29 per cent), the Economic Research Service of the USDA said in its latest ‘Cotton and Wool Outlook’.

Cotton exports from India are forecast at 4.4 million bales (+600,000 bales) in 2019-20, while shipments from Australia are projected to decrease by 50 per cent to 1.8 million bales as supplies decline significantly due to production shortfalls.

Meanwhile, higher import projections for most of the leading importing countries are forecast for 2019-20. China—the leading importer—is expected to import 10.5 million bales of raw cotton, 13.5 per cent above 2018-19 and the highest in six years.

Similarly, imports by Vietnam and Bangladesh are expected higher in 2019-20, as textile industries in these countries expand.

For Vietnam, cotton imports are forecast at 7.8 million bales (+800,000 bales) in 2019-20, while Bangladesh’s imports reach 7.3 million bales (+400,000 bales). Imports for Pakistan (+100,000 bales) and Turkey (-200,000 bales) are each projected at 3.0 million bales.

The global stocks-to-use ratio is forecast to remain flat at 65 per cent in 2019-20, which would equal the lowest ratio since 2010-11. Although China continues to hold the largest share (41 per cent) of world cotton supplies, 2019-20 ending stocks there are projected to decrease 2.4 million bales (7 per cent) to 33.0 million bales—half the level reached in 2014-15.

However, stocks outside of China are expected to rise 8 per cent (3.5 million bales) in 2019-20, with a stocks-to-use ratio outside of China rising for the third consecutive season to 38 per cent, the highest since 2011-12. Consequently, the average world cotton price (A Index) in 2019-20 is expected to decline from the 2018-19 estimate of 84.5 cents per pound.

Source: fibre2fashion.com - July 23, 2019

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Where Does All the World's Cotton Come From?

Cotton is perhaps the most recognized fiber in the apparel market, and is used, either in its pure form or blended with other materials, to make much of the world's clothing.

The soft, fluffy staple fiber grows in a boll around the seeds of a cotton plant, and the fiber is nearly pure cellulose, the most abundant organic polymer on Earth. Fibers from the cotton plant are spun into yarn or thread and made into fiber, yielding soft, breathable textiles. Cotton is the most widely used natural fiber in clothing today.

Cotton plants are native to tropical and subtropical regions around the world, found largely in India, Egypt, Africa and the Americas.

Production

Representing an estimated 50 percent share of the global fiber market, cotton is grown on six continents. There were an estimated 119.3 million 480-pound bales of cotton produced in the just-completed 2018-2019 season, according to the U.S. Department of Agriculture (USDA). This marked an increase of 0.7 percent from the previous year's 118.5 million bales.

India’s market share has grown in recent years, surpassing the U.S. and China as the world’s top cotton cultivator. India produced 26.5 million bales of cotton in 2018-2019 compared to 29 million bales the prior year, according to USDA data.

China is the second-largest producer of cotton, a plant that is cultivated into a raw material, growing 26.5 million bales in the season, a drop from 27.5 million bales in 2017-2018. The U.S. is the third-largest producer of cotton, which in its raw form is sold as a commodity on the global market, growing 27.8 million bales in 2018-2019 compared to the prior season.

Brazil produced 12.8 million bales this last crop season, after harvesting 10 million bales in the prior current season. Rounding out the top five is Pakistan, which grew 8.5 million bale’s worth of cotton in 2018-2019, a slight increase from the year before.

World trade

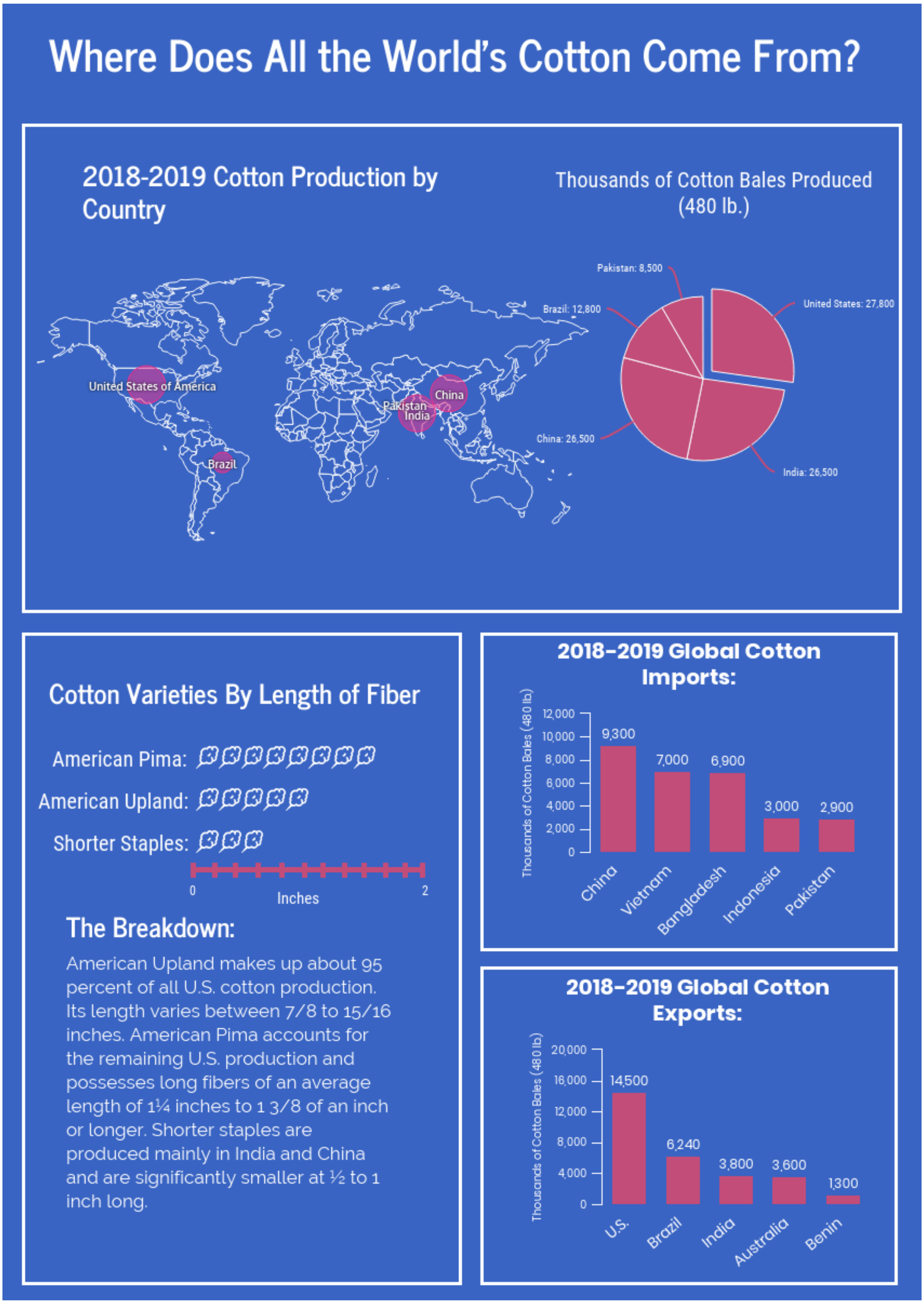
Global trade reached 41.4 million bales this past season, about on par with the previous year. China was the largest importer in the world this past season, bringing in 9.3 million bales. Vietnam imported 7 million bales this year, followed by Bangladesh, with 6.9 million bales imported.

Rounding out the top five, Indonesia brought in 3 million bales this year, while Pakistan imported 2.9 million bales.

The U.S. was by far the world’s largest exporter of cotton. In 2018, the country exported 14.5 million bales, a falloff of 8.2 percent compared to the 15.8 million bales exported the prior year but still representing roughly 40 percent of global exports. The decline was mainly due to a steep drop in exports to China as a result of the trade war between the two countries.

Brazil exports increase to 6.24 million bales from 4.2 million bales last year, while India saw its shipments decline to 3.8 million bales from 5.2 million bales exported in 2017-2018.

Australia’s exports fell to 3.6 million bales this year compared to 3.9 million bales last year. Benin, the largest African cotton exporter, exported 1.3 bales in 2018-2019.



Source: sourcingjournal.com- July 23, 2019

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European Union Could Impose Extra $39.1 Billion in Retaliatory Tariffs on U.S. Goods

The Trump administration has threatened to raise tariffs on European Union imports of automobiles, and now the EU is ready to retaliate with an extra set of taxes of its own to the tune of $39.1 billion on U.S. goods entering the bloc's member states.

The tit-for-tat tariff threat is what Cecilia Malmstrom, the European trade commissioner, called a "rebalancing list." She also told the European Parliament on Tuesday that the list is basically prepared, noting that "I do hope we do not have to use that one."

It seems that if additional tariffs were to be imposed, that could occur around November. The timing is a direct response to President Trump's claim in May that some imported vehicles and parts posed a national security threat, giving him reason to put a 25 percent tax on cars from the E.U. However, a final decision was put off for six months, which is expected to end around mid-November.

The car taxes aren't the only battle between the U.S. and the E.U. The two have an ongoing dispute over subsidies connected to E.U. firm Airbus and American firm Boeing. The U.S. is planning on imposing about $7 billion in levies on imports from the region as soon as a World Trade Organization arbitrator issues his decision on damages. That decision is expected before the end of this summer, although it could be delayed by a few weeks.

The U.S. in April disclosed an initial list of proposed categories that could face tariffs, such as handbags over $20; sweaters and vests from wool and cashmere from Kashmir goats, as well as apparel items such as men's and boys' suits. When the U.S. tariffs are imposed, the E.U. in turn is expected to face retaliatory duties on $22 billion worth of U.S. goods imported to the member states.

Source: sourcingjournal.com- July 23, 2019

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Who's Who in the Exodus from China to Southeast Asia

The threat of a 25-percent tariff in the China-US trade war has accelerated an exodus of U.S., Japanese, Korean and Taiwanese companies from China to elsewhere, a phenomenon that started some time ago.

Simultaneously, some Chinese companies doing business with the United States have also begun transferring some — if not all — production lines out of mainland China. The electronics industry's embrace of these changes is forcing a restructuring in the supply chain.

China, one of the world's largest consumer electronics markets, was always both a battleground and a magnet for foreign enterprises racing to set up factories that took advantage of the golden era of cheap Chinese labor. However, as wages have risen and the China-US trade relationship has worsened, foreign corporations are abandoning ship.

Global supply chain will face restructuring

Although companies are leaving China, they're not necessarily moving all their operations. Most multinationals have only moved traditional businesses related to the United States.

Production lines remaining in China are still supplying goods to the domestic Chinese market and other non-US markets. They have relocated some production lines to Vietnam, India, Thailand and Malaysia, among other locales, to serve an international market that includes the United States.

Notably, in recent years, many multinationals have tried to avoid adding production lines in mainland China. Instead, they've built or expanded their manufacturing bases in Southeast Asia or other countries elsewhere.

In this context, the supply chain, which had been concentrated in mainland China, has gradually dispersed to Southeast Asian countries and India, resulting in the birth of new manufacturing clusters.

For example, Vietnam has set up labor-intensive industries, Malaysia has created a cluster of semiconductor packaging and testing operations, and India has become a hub for smartphones and their suppliers.

Vietnam: Zero tariffs elevate it as a manufacturing center

In 2018, Vietnam attracted nearly $35.46 billion of FDI (Foreign Direct Investment). It is reported that Vietnam's state-owned economy accounts for 30-40 percent of the national economy, and "private enterprises and foreign-funded enterprises" account for 60-70 percent.

At present, foreign-funded enterprises in Vietnam mainly focus on textiles, electronics, and printing and packaging companies, largely because of low tariffs, corporate preferential tax policies, and the advantages of being in the labor dividend period. (Under current regulations in Vietnam, dividends are treated as income from capital investments and taxed at a flat tax rate.)

In tune with its tariff policies, Vietnam joined the World Trade Organization (WTO) and the Trans-Pacific Strategic Economic Partnership Agreement (TPP) in 2010. TPP members can cancel tariffs on all products.

Currently, the organization consists of 11 member states: Chile, Peru, and Vietnam, Singapore, New Zealand, Brunei, Australia, Japan, Mexico, Canada and South Korea. In October 2018, the European Commission adopted the Vietnam-EU Free Trade Agreement. Under the agreement, 99 percent of the goods of both sides will be tariff-free.

At the same time, companies that have obtained high-tech enterprise certification in Vietnam are exempt from tax within four years from the year of profit, and the basic tax rate for the next nine years is halved.

For foreign investors, self-use imported goods that cannot be purchased locally are exempt from import duties. These include machines, vehicles, machinery and equipment parts, raw materials, manufacturing inputs and some construction materials.

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Source: eetimes.com- July 23, 2019

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The US May Be Missing a Sourcing Opportunity in Portugal

While far from the top 10 list of textile and apparel suppliers to the U.S., Portugal is offering the supply chain something it desperately needs: flexibility.

At Texworld USA in New York City Monday, exhibitors in the Portugal Pavilion took an opportunity to bring their competitive offerings to light at a time when sourcing has been upset over changing trade relations, and companies are looking for new places to manufacture product.

Last year, Portugal shipped $474 million worth of textiles and apparel to the U.S., marking an 11.25 percent increase over 2017, according to data from the U.S. Department of Commerce's Office of Textiles and Apparel (OTEXA). For comparison, China shipped $405.5 billion the same year, and the second largest supplier to the U.S., India, shipped $7.67 billion.

"We are aware that, for U.S. companies, European sourcing may still not compare to the imports from Asian countries, especially China, considering the greater logistical and labor facilities perceived by U.S. companies in relation to China," said Monica Afonso, CEO of Marjomotex, a bottoms producer in Portugal. "However, given our experience that we already have in other international countries where we work, we are aware that we can reach the necessary conditions to meet the needs of American companies."

Marjomotex's core business is denim, but the company is also showcasing knitwear, twill and linen at this year's show.

There's a "considerable" added-value factor when sourcing in Portugal, according to Afonso, who said beyond quality and product innovation, manufacturers in the country are also known for flexibility and adaptability—which allows for small-batch production, something the industry's digitally-native brands, in particular, seek in their sourcing strategies.

"We have exclusive products, quick answers and we present interesting MOQs that have allowed our customers to renew products more frequently," Afonso said. "Portugal is able to offer tradition and industrial know-how at the textile level, with capacity for constant renewal and resilience."

Marjomotex is located in Famalicão, a region in Northern Portugal where, as Afonso noted, “there is a strong network of partners in the textile cluster, excelling at innovation and sustainability. That regional network is part of what adds to the country’s flexibility.

What’s more, as part of a strategic plan for the textile and apparel sector in Portugal has made pointed commitments in sustainability and digitization to keep the country competitive in a global industry focused on both concepts.

“The increase of the production scale assisted by digital technologies will allow the Portuguese textile business model to keep its flexibility,” Afonso said. “Besides that, the country is one of the worldwide leaders of the private label, in what is an essential differentiator in the textile market.”

Olmac, which has also been manufacturing in the Famalicão region since 1981, seconds the notion that flexibility is among Portugal’s key competitive advantages.

“We bring to the client a great support on know-how, and presenting solutions, good quality and flexibility to lower MOQ compared with other countries,” said Olmac CEO and chief business officer Orlando Miranda.

The company’s main market is men’s knits, though it produces a portion of its knits for the women’s and children’s categories, too.

“Traditionally, we are an outwear technical garment company, with more vocation to men’s apparel,” Miranda said, noting, however, that the company is now tapping into the technical fashion opportunity. “We will present our products [that are] more fashionable, however with technical solutions, especially for the women’s market, which is growing amongst our clients.”

The sustainability factor in Portugal has its own appeal for sourcing, too. And, according to Miranda, the concept is more than a marketing effort there, its table stakes.

“As Europeans, factors such as stability, environment, sustainability, fair trade belongs to our daily vocabulary and is important [to] not only speak, but act upon,” Miranda said.

It's similar for Marjomotex, which has more than 40 years of experience in textile manufacturing, is GOTS certified and is mulling the possibility of a production system using exclusively organic materials, Afonso said, adding, "And we will not stop here."

Source: sourcingjournal.com- July 23, 2019

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Alibaba Makes Moves to Mobilize US Small Businesses

One of the world's largest e-commerce operations has come stateside. And in a bid to entice 30 million U.S. small and medium-sized businesses, Alibaba has announced a new program to help them access new business-to-business opportunities on its massive marketplace.

The Chinese-owned online giant is working to position U.S. wholesalers, manufacturers and distributors for success by facilitating B2B relationships with some of the site's most successful sellers.

According to the company, the $23.9 trillion global B2B e-commerce market represents ample opportunity for U.S. SMBs, as it's six times larger than the global B2C e-commerce market.

To encourage the program's success, Alibaba has cultivated an "enhanced ecosystem of participants" including "anchor sellers" with a vested interest in pulling products from SMBs. These include major U.S. retailers like Office Depot and Robinson Fresh, a subsidiary of C.H. Robinson.

Both companies have extensive product catalogs, and are still looking to expand their range of offerings given Alibaba's massive audience. In the company's estimation, new buyers will flock to the platform as product selection continues to grow.

Other business service providers who have signed on to help SMBs include 71lbs, BigCommerce, Indeed, ShipStation, Skuvault, TeamViewer, Wellbots and Xometry. Alibaba said these businesses would be promoting site member-exclusive offers, discounts and premium content in an effort to position SMBs for success.

Alibaba is also co-producing a suite of “Build Up” workshops and webinars in cooperation with local chambers of commerce and country-wide B2B organizations to help educate newcomers to the platform. Score, a non-profit network of volunteer business mentors, will provide education assistance.

The company’s first Build Up event will be held on Tuesday in Brooklyn at Industry City, which houses a number of industrial and manufacturing businesses.

The meet-up will be co-hosted by the Brooklyn Chamber of Commerce and Industry City, and along with a workshop attendees will also be invited to receive one-on-one training and consultations with Alibaba experts. Newcomers will receive discounts and incentives from the brands and organizations in attendance.

A second Build Up event will be held on Friday in Los Angeles, to be co-hosted by the Los Angeles Chamber of Commerce at California Market Center. And on July 30, the organization has planned an event in Chicago with the city’s Chamber of Commerce at M Hub. Additional in-person events will be announced throughout the year, and Score is slated to take part in a number of them, Alibaba said.

“Alibaba aims to empower entrepreneurs and help them succeed on their own terms,” said John Caplan, Alibaba’s head of North America B2B. “With 10 million active business buyers in over 190 countries and regions, we are reshaping B2B commerce by providing the tools and services needed for U.S. SMB companies to compete and succeed in today’s global marketplace.”

Source: sourcingjournal.com- July 23, 2019

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Flax touted as cotton substitute for Belarus, Russia

Setting up a linen industry cluster will help Belarus and Russia replace cotton in case cotton is in short supply in foreign markets, according to chairman of the Belarusian council Mikhail Myasnikovich, who said flax is a promising substitute. A proposal for such a cluster was made at the Forum of Russian and Belarusian Regions in St. Petersburg recently.

Myasnikovich said the cluster, if established, will operate as a commercial entity and deal with issues of import substitution, according to a Belarusian news agency. Cotton-producing countries have been ramping up its processing into yarn, fabric and finished product.

Belarus has carried out an expensive upgrade of Orsha Linen Mill, which can now produce high-quality fabrics. Russia has good capacities in flax industry, particularly in primary processing.

Belarus offered Russia a proposal to pool together scientific, production and financial capacities to ensure full technological cycle—from research, seed production and cultivation of flax to production of fabrics—should the parties decide to create the cluster.

Source: fibre2fashion.com- July 23, 2019

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Pakistan: Textile sector demands relief package

The All Pakistan Textile Mills Association, Khyber Pakhtunkhwa region, on Tuesday voiced reservations about the government's new economic policy and demanded financial package and relief in power and gas tariff for the province's textile units to save them from closure.

The demand was made during a meeting here with association chairman Mohammad Taimoor Shah in the chair.

The other participants included Raza Kuli Khan Khattak, Sikandar Kuli Khan Khattak, Usman Gul, Fazal Subhan, Mohammad Luqman, Taimoor Ahmad and Malik Abdul Muqeet Khan.

They discussed the textile industry's problems and complained that the industry was on the verge of closure as it was struggling to find buyers even for cotton yarn.

The participants said the government was going to register taxpayers through industrialists.

They said they regularly paid taxes and would continue contributing to economy.

The participants asked the government to announce a relief package for the sector.

They said from August 1, they would have to sell yarn to registered buyers only and if such buyers weren't there, millers would be in trouble.

The participants said bringing new people to the tax net was the responsibility of the government but the CNIC condition for buyers would bring economy to a standstill.

They said under the rules, the government should talk about registered persons only or ask millers to sell their product to registered buyers only.

The participants called for incentives for selling textile products to registered buyers, concessions in general sales tax and sales tax, and relief in gas and power tariffs.

They said as Khyber Pakhtunkhwa was located away from the seaport and market,

the government should announce a special relief package for its textile mills to prevent their closure and joblessness of employees.

Source: dawn.com- July 24, 2019

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Vietnam: EVFTA Opens New Chapter In EU-Vietnam Trade Relations

The European Union Vietnam Free Trade Agreement (EVFTA) was signed on June 30 in Hanoi paving the way for its conclusion and increased trade with the EU and Vietnam.

The EVFTA is an ambitious pact providing almost 99 percent of elimination of custom duties between the EU and Vietnam.

65 percent of duties on EU exports to Vietnam will be eliminated while the remaining will be gradually phased out over a period of 10 years. 71 percent of duties will be eliminated on Vietnam exports to the EU, with the remaining being eliminated over a period of seven years.

The EVFTA is considered a new generation bilateral agreement – it contains important provisions for intellectual property (IP) rights, investment liberalization and sustainable development. This includes commitment to implement International Labor Organization (ILO) standards and the UN Convention on Climate Change.

Talks between the EU and Vietnam began in June 2012 and ended December 2015, However the ratification process was delayed due to specific details on tariffs as well as the EU-Singapore FTA which came into effect recently.

Vietnam and the EU are long-standing trading partners. At the end of 2018, EU investors had invested more than US$23.9 billion in 2,133 projects in Vietnam. In 2018, European investors added almost US$1.1 billion in Vietnam.

EU investors are active in 18 economic sectors and in 52 out of the 63 provinces in Vietnam. Investment has been the most prominent in manufacturing, electricity and real estate.

Bulk of the EU investment has been concentrated in areas with good infrastructure, such as Hanoi, Quang Ninh, Ho Chi Minh City, Ba Ria-Vung Tau and Dong Nai. 24 EU member states are invested in Vietnam, with the Netherlands taking the top spot followed by France and the UK.

At the regional level, Vietnam is now the EU's second most important trading partner among all ASEAN members – surpassing regional rivals Indonesia and Thailand, in recent years. The growing trade between the EU and Vietnam also helps to solidify ASEAN's position as the EU's third largest trading partner.

INDUSTRIES PRIMED FOR CONTINUED EXPANSION

The EVFTA, at its core, aims to liberalize both tariff and non-tariff barriers for key imports on both sides over a period of 10 years.

For Vietnam, the tariff elimination will benefit key export industries, including the manufacturing of smartphones and electronic products, textiles, footwear and agricultural products, such as coffee. These industries are also very labor-intensive. Increasing Vietnam's export volume to the EU, the FTA will facilitate the expansion of these industries, both in terms of capital and increasing employment.
Textiles

Both Vietnam and the EU have articulated a timeframe by which they have committed to liberalize all tariffs. Key among these commitments is a seven year timeline for Vietnam's textile and footwear products. Exports of the sector reached around US$9 billion in 2018. As a large proportion of Vietnam's exports to the EU are consumer goods such as clothing, textile, and footwear, the FTA could significantly increase their trade volume.

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Source: mondaq.com- July 23, 2019

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Uzbekistan`s foreign trade significantly up

Today, international trade is a fundamental part of the economic activity of Uzbekistan. Continuing reforms in this area allow expanding markets for Uzbek goods and services. In January-June 2019, Uzbekistan had trade relations with more than 166 countries of the world.

In particular, the foreign trade turnover of the country in January-June 2019 amounted to $19.7 billion and increased by $4.52 billion, or 29.8 percent, compared to the corresponding period of 2018, according to the State Committee of Uzbekistan on Statistics.

Of this amount, exports reached $8.4 billion (growth rate - 27 percent), and imports – $11.2 billion (growth rate - 32 percent). The foreign trade balance amounted to -$2.8 billion. The establishment of trade relations with other countries contributes to the growth of exports of products manufactured in the country.

In January-June 2019, the number of enterprises engaged in the export of goods increased by 831 compared with the same period last year and their total number reached 3,885.

The main partners of Uzbekistan in the export of goods and services were China (19 percent of the total exports), Russia (13.6 percent), Kazakhstan (8.1 percent), Turkey (6.8 percent), Kyrgyzstan (4.5 percent), Afghanistan (3.1 percent) and Tajikistan (1.7 percent).

Seven countries – China, Russia, South Korea, Kazakhstan, Turkey, Germany and the U.S. – had a share of 69.1 percent in the total volume of Uzbekistan's imports.

Thanks to the creation of favorable conditions, provision of a number of tax and customs benefits to manufacturers, as well as due to the modernization of industrial facilities, the quality and volume of exported Uzbek products increased, which allowed domestic products to take strong positions in foreign markets.

Source: azernews.az - July 23, 2019

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Shipments of spinning machinery rise while knitting machinery decline '18

The latest results of the 41st annual International Textile Machinery Shipment Statistics (ITMSS) shows, there was an increase 1.5 per cent and 13 per cent in global shipment of new short-staple spindles and open-end rotors to the world spinning industry in 2018. Similarly, shipment of draw-texturing spindles increased 50 per cent while deliveries of shuttle-less looms improved 39 per cent. However, shipments of long-staple spindles, circular knitting machines, and electronic flat knitting machines decreased by 27 per cent, 4 per cent and 20 per cent, respectively.

The ITMSS report was released in June by the International Textile Manufacturers Federation (ITMF). The report covers six segments of textile machinery, namely spinning, draw-texturing, weaving, large diameter circular knitting, flat knitting and finishing. The 2018 survey has been compiled in cooperation with more than 200 textile machinery manufacturers representing a comprehensive measure of world production.

Circular Knitting Machinery: Shipment of large diameter circular knitting machines declined by 4 per cent to 26,300 units in 2018. Asia and Oceania emerged as the world's leading investors in this category with 85 per cent. Amongst Asia, China emerged as the largest investor with 48 per cent of the worldwide deliveries to this region.

Flat Knitting Machinery: The shipment of electronic flat knitting machines decreased by 20 per cent toShipments of spinning machinery rise while knitting machinery decline 18 around 160,000 machines in 2018. Asia & Oceania emerged as the major exporters of this category with a share of 95 per cent of world shipments. Here too, China remained the world's largest investor with a global share of 86 per cent of worldwide shipments despite a decrease in investments from 154,850 units to 122,550 units.

Spinning Machinery: Spinning machinery shipment increased for the second consecutive year, with the total number of shipped short-staple spindles increasing to 126,000 units, leveling off at 8.66 million. Around 92 per cent of these new short-staple spindles were shipped to Asia & Oceania with shipments to Korea, Turkey, Vietnam and Egypt increasing by of 834 per cent, 306 per cent, 290 per cent and 285 per cent respectively.

Texturing Machinery: Similarly, shipment of single heater draw-texturing spindles increased 48 per cent to 22,800 in 2018. China and Japan were the main investors in this segment with a share of 68% and 11% of global deliveries, respectively. The global shipments of double heater draw-texturing spindles by +50 per cent to about 490'000 spindles. Of this, Asia's share increased to 93 per cent with China accounting for 68 per cent of global shipments.

Weaving Machinery: Shipment of shuttle-less looms increased 39 per cent to 133,500 units. Thereby, shipments of air-jet and water-jet looms increased by 21 per cent to 32,750 and +91 per cent to 69,240, respectively. Deliveries of rapier/projectile looms declined by 5 per cent to 31,560.

The main destination for shuttle-less looms in 2018 was Asia & Oceania with 93 per cent of all worldwide deliveries. The main investors included China and India in all three categories.

Finishing Machinery: In the fabrics continuous segment, shipments of Washing (stand-alone), Singeing Line, Relax Dryers/Tumblers, Stenters, and Sanforizers/Compacters increased by 58 per cent, 20 per cent, 9 per cent, 3 per cent, and 1 per cent, respectively. In the category 'fabrics discontinuous', shipments of Air-jet dyeing machines increased by 16% and deliveries of Overflow dyeing and Jigger dyeing/Beam dyeing machines fell by 7 per cent and 19 per cent respectively.

Source: fashionatingworld.com- July 23, 2019

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Vietnam spent $11.4 billion on material imports in first half of year

Viet Nam spent US$11.4 billion to import materials for garment and textile production in the first half of the year, up 5.6 per cent from the same period last year, according to Vietnam Textile and Apparel Association (VITAS).

Cotton imports reached $1.52 billion, fibre $1.23 billion, fabric $6.75 billion and auxiliary materials $1.89 billion.

VITAS said in the six months, the world economy slowed due to political fluctuations and conflicts, especially protection policies and escalating trade war.

This has significantly affected exports of textile and garment products, especially the yarn industry as inventories in some businesses have increased sharply, according to VITAS.

The country`s garment and textile sector earned $18 billion from exports, an 8.61 per cent year-on-year increase.

The figure included $14.02 billion of clothing and $1.02 billion of fabrics, up 8.71 per cent and 29.9 per cent respectively.

Local garment and textile producers have faced challenges in production and trading.

The association`s vice president Truong Van Cam said the number of orders in the first half of 2019 was equivalent to 70 per cent of the figure in the same period last year. In particular, consumption of yarn and raw materials faced many difficulties because the main export market China cut import volume. Meanwhile, garment products also experienced a drop in orders.

In 2018, by the middle of the year, many large enterprises in the industry had orders until the end of the year, but they now have orders with small quantities and signed by month. Many big buyers across the world are concerned that the US-China trade war will escalate, so orders are divided into small ones instead of large quantities.

The US remained the biggest buyer, accounting for 47 per cent of total orders. It was followed by member states of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) with 17 per cent, the EU at 13 per cent and South Korea with 9 per cent.

Pham Xuan Hong, chairman of HCM City Textile and Garment - Embroidery Association said export growth of 8.61 per cent in the first half of the year was low compared with that of 2018, due to a lack of labourers and increasing production costs.

According to the Ministry of Planning and Investment, the EVFTA would help the export turnover of Viet Nam to the EU increase by 20 per cent by 2020; 42.7 per cent by 2025 and 44.37 per cent by 2030. However, the agreement was signed in June and it`s unclear when it will take effect.

Experts said to maximise benefits of the EVFTA, the country should pay attention to developing the weaving and support industry for the garment and textile sector to reduce dependency on imported materials.

Source: pulsenews.co.kr- July 24, 2019

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Asia is a big market for Bangladesh apparels

India, China and Japan are major apparel export destinations for Bangladesh. The country's garment exports to Japan are up 28.90 per cent year on year.

The reasons for the continuous rise in garment exports to Japan are its China Plus One strategy adopted in 2008 and its zero-duty benefit to Bangladesh as a least developed country. Japan is keen to reduce its dependence on China.

The China plus one policy promotes shifting of production from China to other nations such as Bangladesh.

Currently, nearly 80 per cent of the demand for apparel by the Japanese is met by Chinese manufacturers. Similarly, garment exports to India are up 79.09 per cent year on year.

Since 2011 Bangladesh has been enjoying duty-free benefits in India, which has prompted international retailers that have a presence in India to source directly from Bangladesh for their stores.

Garment exports from Bangladesh to China are up 29.33 per cent year on year. China, the largest garment supplier worldwide, has been turning into a major export destination for Bangladesh as it looks to shift to production of more sophisticated and heavy items. Furthermore, Bangladesh exporters enjoy duty-free access for 4,721 products including garments.

Asian markets are closer to Bangladesh geographically, which ensures shorter lead time – crucial in the era of fast fashion.

Source: fashionatingworld.com- July 23, 2019

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NATIONAL NEWS

Citing weak demand, IMF lowers India's growth projection to 7%

The International Monetary Fund (IMF) on Tuesday lowered the growth estimate for India by 30 basis points (100 basis points means 1 percentage point) for the current as well as the next financial year.

"India's economy is set to grow at 7 per cent in 2019, picking up to 7.2 per cent in 2020. The downward revision of 0.3 percentage point for both years reflects a weaker-than-expected outlook for domestic demand," the multilateral agency said in its update on "World Economic Outlook" (WEO). The revision is relative to the April WEO.

However, the good news is despite the revision, India's growth rate will still be the fastest in the world followed by China. The WEO update says that in China, the negative effects of escalating tariffs and weakening external demand have added pressure to an economy already in the midst of a structural slowdown.

With policy stimulus expected to support activity in the face of the adverse external shock, China's growth is forecast at 6.2 per cent in 2019 and 6.0 per cent in 2020, which is 10 basis points lower each year relative to the April projection.

Subdued global growth

Overall, as the update says, global growth remains subdued. Since the April report, the US further increased tariffs on certain Chinese imports and China retaliated by raising tariffs on a subset of US imports.

Global growth is forecast at 3.2 per cent in 2019, picking up to 3.5 per cent in 2020 (0.1 percentage point lower than in the April WEO projections for both years). GDP releases so far this year, together with generally softening inflation, point to weaker-than anticipated global activity.

The IMF's India estimate is in line with the projections of various other agencies whose estimates range between 6.6 and 7.5 per cent. Fitch has the lowest projection while the World Bank has the highest. IMF is following

Fitch, ADB and the RBI in cutting its earlier projection and all of these lower productions have one thing in common — both investment and consumption demand is low.

On the positive side, political stability, high capacity utilisation, uptick in business expectations in the second quarter, buoyant stock market conditions and higher financial flows to the commercial sector augur well for investment activity.

The IMF's India estimate is in line with the projections of various other agencies whose estimates range between 6.6 and 7.5 per cent.

Source: thehindubusinessline.com- July 23, 2019

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Spinning mills in state cut production by 15%

Amid dwindling demand for cotton yarn in the international market, spinning mills in Gujarat are staring at a significant production cut. Estimates by All Gujarat Spinners' Association (AGSA) indicate that the spinning mills across Gujarat have already reduced their production by 15% and further decline in production is expected if the situation does not improve.

Explaining the scenario, Saurin Parikh, president, AGSA, said, "Mills from Gujarat export a significant 30% of their total cotton yarn production, while the remaining is supplied in the domestic market. With the ongoing US-China trade war, Chinese fabric and garment manufacturers are facing a huge inventory pile-up, because their garment exports to the US have declined. As a consequence, the demand for cotton yarn in the international market has gone down."

The situation is no different in the domestic market as well. "Domestic demand for apparel as well as fabrics has already taken a hit in the domestic market. Thanks to this, weavers have also begun gradually reducing their yarn inventory. A year ago, weavers used to keep enough inventory of cotton yarn that lasts for three months, which has now reduced to merely 15 days.

With this, domestic demand has also taken a hit," Parikh further explained. AGSA estimates suggest that Gujarat has a total installed capacity of some 52 lakh spindles across all the spinning mills located here, of which more than 7 lakh spindles are lying idle.

Production cut has already begun hurting export revenues to the industry. "Poor demand has adversely affected revenues. In the past two-three months, cotton yarn exports went down by 22%," said Dr Bharat Boghra, chairman, AGSA.

It is a double whammy for spinning mills because while the demand and production have begun declining; the input costs are also rising. "Cotton prices have gone up amid limited supply of cotton. Therefore, the cost of production has also gone up and in turn, this is hurting our competitiveness in the international market," said Jayesh Patel, who owns a spinning mill.

Source: timesofindia.com- July 24, 2019

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Better quality, lower output boost local cotton prices

Cotton output in India has been revised to 312 lakh bales in June compared to 348 lakh bales in October 2018-19.

Cotton spot prices in India are likely to remain higher than global prices due to better quality and lower output in the last season, traders, including Cotton Corporation of India, the federal nodal agency for price support operations, said. The commodity's prices in India has bucked the global slump in the current financial year due to the US-China trade war.

Cotton spot prices have mellowed globally in the current financial year whereas local factors, including lower-than-estimated cotton output in India, has kept the domestic prices firmer. The higher prices have affected exports curtailing the cotton yarn shipment by 22 per cent in the current financial year.

Indian spinning mills have sought the release of CCI's stock at a discount to ease the domestic prices. At present, the price of CCI's cotton is over and above the market price due to its quality.

Source: economictimes.com- July 23, 2019

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India's share in world merchandise exports increased : PHD Chamber

Amid robust economic reforms, especially reforms in the trade policy environment during the last few years, India's presence in world merchandize exports remains intact and an uptick has been observed in India's share in world merchandise exports from 1.60% in 2015 to 1.68% in 2018, said the Industry body, PHD Chamber of Commerce and Industry in a press statement issued here today.

Value of India's merchandize exports increased by 22% from USD 264 billion in 2015 to USD 323 billion in 2018 which is the second highest after Netherlands. Merchandise exports of Netherlands registered highest growth at 27%, increased from USD 571 billion in 2015 to USD 723 billion in 2018, said the industry body PHDCCI.

Exports from United States increased only 11% from USD 1502 billion in 2015 to USD 1664 billion in 2018 and China's exports grew only 10%, increased from USD 2273 in 2015 to USD 2464 in 2018.

Trade tensions between USA and China seems impacted their share of merchandize exports and growth of exports significantly.

China's share in world merchandize exports has declined from 13.73% in 2015 to 12.97% in 2018, while USA's share in world merchandize exports has declined from 9.07% in 2015 to 8.65% in 2018.

Few of the advanced economies of the top ten World exporters including Germany, Japan, Netherlands and Italy were also able to increase their respective shares in the World exports during the last 3 years from 2015 to 2018.

Germany's share in world exports increased from 8.02% to 8.10%, Japan from 3.77% to 3.84% and Netherlands from 3.45% to 3.76% and Italy from 2.76% to 2.84%.

However, countries such as Korea, Hong Kong, France and UK faced deceleration in their respective share in the World exports during the same period. Korea's share in world exports has declined from 3.18% to 3.15%, Hong Kong's share from 3.08% to 2.96%, France's share from 2.98% to 2.96% and UK's share from 2.82% to 2.53%.

While apprehending about the recent escalation in the trade war between USA and China, the Industry body said that trade wars are not in favour of the world economy; the volume of world exports are likely to shrink if further escalations in trade war between USA and China continue.

The further improvement in logistics infrastructure and trade facilitation measures would enhance India's exports growth trajectory and create millions of new employment opportunities, said the Industry body.

To harness the export potential of the country, the overall ease of doing exports is needed to be further enhanced in terms of easier access to raw materials, building linkages for strong marketing of products, improving labour productivity, labour flexibility and capital efficiency.

Source: business-standard.com- July 23, 2019

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Govt moves 2 Bills in Lok Sabha to overhaul existing labour laws

Wages Code & Occupational Safety, Health Code seen benefiting 50 crore workers

The government has introduced two labour codes — the Code on Wages and the Code on Occupational Safety, Health and Working Conditions (OSH) — in the Lok Sabha. The Bills, if passed, are expected to benefit about 50-crore workers.

The Wages Code universalises the provision of minimum wages and their timely payment to all employees irrespective of the sector and wage ceiling. The OSH Code, among other provisions, enables women employees to make a choice on working night shifts. It also enables the courts to give a portion of monetary penalties (up to 50 per cent) to workers who are victims of accidents in the workplace, or their kin.

The government is also working on two more codes. All the four, once enacted, will subsume 44 labour laws.

The Wages Code, once enacted, will subsume the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976.

Right to Sustenance

The Wages Code is seen to ensure the ‘Right to Sustenance’ for every worker and intends to increase the legislative protection of minimum wage from the existing 40 per cent to 100 per cent of the workforce. The introduction of a statutory Floor Wage is seen to ensure better living conditions for about 50-crore workers.

At present, many States have multiple minimum wages. The Code is envisaged to simplify and rationalise the methodology to fix the minimum wages by doing away with ‘type of employment’ as a criterion. Rather, the minimum wage will be fixed primarily based on geography and skills.

Wider reach

The OSH Code will subsume 13 laws relating to factories, mines, dock workers, building workers, plantations labour, contract labour, inter-State migrant workmen, working journalists and motor transport workers, among others. It enhances the ambit of the provision of safety, health, welfare and working conditions from the existing nine major sectors to all establishments having 10 or more employees.

Presently, there are different applicability thresholds for welfare provisions like crèche, canteen, first aid and welfare officer in different Acts. The proposed Code envisages uniform thresholds for welfare provision for all establishments to the extent practicable.

Also, under the new Code, consent need to be taken from women to work beyond 7 pm and before 6 am.

Source: thehindubusinessline.com- July 23, 2019

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Deadline for filing income tax returns extended to 31 August

The government on Tuesday extended the deadline for filing income-tax returns for the FY20 assessment year by individuals and certain non-corporate assessees by one month to 31 August.

The extension of due date was applicable to all taxpayers liable to file their tax returns by 31 July, the original due date. This applies to assessees other than corporate taxpayers and a few others, including non-corporate entities, the books of which need not be audited, said the Central Board of Direct Taxes (CBDT).

Some taxpayers were reportedly facing difficulties in filing their tax returns because of various reasons, including the extension of date for issuing Form 16, the tax deducted at source (TDS) certificate given by employers, said the CBDT order.

The tax department had earlier made changes in the format of tax returns and the TDS certificates. It had also made changes in the rules for filing TDS returns by employers.

Returns for assessment year 2019-20 relate to income earned in the financial year 2018-19. The tax department usually allows a short extension if the public faces any difficulty in meeting the deadline and a longer extension for assessees in states where exceptional events such as a natural calamity are reported.

Experts said the changes to the TDS certificate format notified in April requires employers to give the break-up of all the tax-exempt payments to the employee.

Form 24Q that employers have to file with the tax department, too, has been modified to provide the break-up of gross salary in terms of value of perquisites and profits in lieu of salary.

Bifurcation of tax-exempt allowances and the various deductions claimed have also to be given. The move is part of an effort to reduce ambiguity in filing returns and to make assessment easier by capturing finer details.

The Union budget for FY20 also proposed that return filing will be compulsory for even those who fall below the basic exemption limit of ₹2.5 lakh annual income, if they get into specified high-value transactions such as spending on foreign travel.

Source: livemint.com- July 23, 2019

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Minimum wage rationalisation on cards: Here're the govt's key proposals

The Centre has proposed reducing the number of minimum wage levels prevalent in the country substantially, in the Code on Wages Bill 2019 introduced by labour and employment minister Santosh Kumar Gangwar on Tuesday. According to a proposal in the Bill, state governments and the Centre – in their respective jurisdictions – will fix the minimum wage level based on two factors – skill set and geography (rural or urban, hills or plains).

Employers will be required to give the minimum wages, notified by either the state or the Centre, to the unorganised sector, too. At present, only a particular list of occupations, notified by the central government, are covered by the minimum wage law. This move will ensure “protection of minimum wages from 40 per cent to 100 per cent of the workforce.” At present, there are over 2,500 minimum wage variants across the country as they vary based on occupation, area, work and skills.

A senior government official said that the number of minimum wages may reduce to around 300 after the Code on Wages Bill is passed by both Houses of Parliament. However, one factor which the states may keep in mind while fixing the minimum wage is “arduousness” of works, in terms of temperature, humidity and hazardous occupations, among others, in accordance with a provision in the Bill. The state governments will not be allowed to fix minimum wages below the statutory floor fixed by the Centre.

"Introduction of the statutory floor wage to be computed based on minimum living conditions will extend qualitative living conditions across the country to about 500 million workers," an official statement issued by the labour and employment ministry said.

Significantly, the government has proposed a single definition of wage which will be the same for all the four labour codes it plans to introduce in Parliament, going ahead.

The 'wage', on which statutory deductions towards provident fund, insurance, gratuity and others are made by employers, will include basic pay, dearness allowance and retaining allowance as its components.

However, various other allowances – in the form of house rent, leave travel and overtime, among others – are proposed to be capped at 50 per cent of the 'wage.' "There are 12 definitions of wages in different labour laws leading to litigation besides difficulty in its implementation," the statement said.

The move will ensure that companies do not fix the basic components of a salary at lower levels – a practice adopted by many firms so that statutory deductions towards various social security schemes, including provident fund, are lower.

The labour ministry termed the Bill as "a historical step for ensuring statutory protection for minimum wage and timely payment of wage to 500 million workers in the country." The Code on Wages Bill was earlier introduced in the Lok Sabha in August 2017 and was referred to the Standing Committee on Labour which submitted its report in December 2018.

The government has incorporated 17 out of the 24 suggestions given by the committee in the fresh draft of the Bill introduced in Parliament on Tuesday, according to a government official.

Source: business-standard.com- July 23, 2019

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Faces problems due to decline in exports and rising costs

The textile industry, fuelling growth in the State besides providing direct employment to thousands of semi-skilled workers, is now staring at a crisis after the spinning mills have declared a production holiday beginning on July 22.

The spinning mills decision to cut down on the number of working days comes in the backdrop of a decline in exports and rising production costs.

There are over 120 spinning mills in the State and many are cutting down their production of yarn. Indian yarn is known around the world for its fine quality and is preferred by European and American retailers.

The US-China trade war has come in the way of export of Indian yarn and with the USA placing curbs on production in China, domestic spinning mills have started to feel the pinch.

‘MSP hike’

“China has been a major importer of cotton for several years but during the last two years, China has been gradually lowering its exports from India. Domestic demand has also slackened due to stiff competition.

Moreover, the cost of production is also going up and we have no other option except to reduce the production,” said chairman of AP Spinning Mills Association, Lanka Raghurami Reddy.

Power subsidies

Yet another factor weighing in the minds of millers is the increase of Minimum Support Price offered to farmers.

The Union government has raised the MSP by 25% to bail out cotton farmers and as a result, millers are forced to buy cotton at a much higher rate.

Even the prices of candy have gone up by 25% with each candy fetching ₹43,000 and finally, the delay in the release of power subsidies to the tune of ₹1,200 crore has forced the millers to shut down the mills.

The millers hope that the new government in the State would bail them out by releasing the power subsidies immediately.

Source: thehindu.com - July 23, 2019

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India hopes to improve Global Innovation Index 2019 ranking: DPIIT Secy

India is hopeful of further improving its ranking in an index of the world's most innovative economies, to be released on Wednesday, from the current 57th, a top government official said on Tuesday.

"We are definitely hoping an improvement as we have improved in indicators like ease of doing business," Department for Promotion of Industry and Internal Trade (DPIIT) Secretary Ramesh Abhishek told reporters here.

The Global Innovation Index (GII) 2019 rankings will be announced here on Wednesday.

The GII, which is published annually by Cornell University, INSEAD and the UN World Intellectual Property Organisation (WIPO) and GII Knowledge Partners, ranked India at the 57th spot in 2018, a slight improvement from the 60th position in 2017. It was 66th in 2016 and 81st in 2015. India is aiming to break into the top 25 tally.

When asked about ways to improve accessibility to affordable medicines as patented drugs are expensive, he said the government has several mechanisms including National Pharmaceutical Pricing Authority, National List of Essential Medicines, and Jan Aushadhi centres for this purpose.

He said TRIPS (Trade Related Aspects of Intellectual Property Rights), an agreement under the World Trade Organization, provides sufficient flexibilities to take steps whenever a specific issue emerges regarding high prices of patented medicines.

Under this agreement, India can grant 'compulsory licence' to a company to manufacture generic version of a patented medicine.

Industry body CII has been the GII knowledge partner since 2009.

Abhishek said although India's position is improving, "we need to do lot more".

He added that the department is working on strengthening the intellectual property rights regime.

The GII ranks 126 economies based on 80 indicators, ranging from intellectual property filing rates to mobile-application creation, education spending and scientific and technical publications.

Source: business-standard.com - July 23, 2019

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T-shirts made of organic cotton from Andhra a big hit in Belgium

‘It ensures 30% additional income for tribal farmers of North Andhra’

T-shirts made from organic cotton cultivated by tribals of North Andhra are now becoming extremely popular among music lovers in Belgium.

As many as 30,000 T-shirts made with the cotton in the garment factories based at Tirupur and Coimbatore are now used by the 8,000 participants in one of the biggest electronic dance music festivals (www.tomorrowland.com) organised by Tomorrowland in Belgium from July 19 to 29.

The Tomorrowland team, on account of celebrating their 15th anniversary, aspires to send out a powerful message by opting for sustainable T-shirts for their crew members. RESET, a futuristic innovation by Grameena Vikas Kendram, an NGO, has partnered with Urban Fibres, Belgium, to make this a reality.

The cotton was raised in 26 villages under Pachipenta, Kurupam and Gummalakshmipuram in Vizianagaram district and Bhamini of Srikakulam district by the tribals. In all 18, tonnes of cotton was collected from the 230 farmers by cultivating it in 250 acres. The yield would have been much more but for the heavy devastation caused by Cyclone Titli in October last year.

The project was taken up under Regenerate the Environment Society and Economy through Textiles (RESET).

The regenerative cotton was produced using climate resilient techniques and carbon farming. The entire RESET ecosystem with farmers, ginner, spinner, knitter, dyer and garment workers, all located in India, have taken the utmost care at every step of the task.

'Proud moment'

"It's a proud moment for us to sell 30.000 sustainable crew T-shirts for one of world's largest music festivals by assuring 30% additional income for the tribal cotton growers of Vizianagaram and Srikakulam districts," Sarat Gidda, vice-president of the NGO, told The Hindu.

Before taking up the project, the farmers were convinced not to use chemical pesticides and herbicides and synthetic fertilisers. The unisex model T-shirts were made with carefully chosen fabric and print dyes that are not harmful to humans and the eco-system, he pointed out.

'Aiming high'

The NGO is firm in involving more farmers to set out to achieve astronomical figures of 62,500 acres and 15,000 farmers in the coming five years. Through RESET, it has plans to take up organic cotton cultivation in Kadapa of Andhra Pradesh and Warangal of Telangana during the current year.

"Our aim is to create the world's first regenerative cotton value chain by imbibing the principles of ethical production and calling for conscious consumption, seriatim setting in motion, a self-sustaining system," he stated.

Source: thehindu.com- July 23, 2019

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Upping the ante for handloom

A two-day show on weaves from Assam, Nagaland and Odisha is a must-do for textile lovers

When Assamese artisans, Jyotsna and Kavita, were chosen to co-design garments with a designer in New Delhi, they faced immediate protest from their husbands and family members based in Kamrup, Assam. The duo's family had reservations about the two sisters surviving in a big city, and practising art that can easily be done from back home.

That's when Antaran, TATA Trusts' craft-based livelihood programme, stepped in and convinced them about the value of espousing a larger cause — showcasing of textile crafts.

The sisters eventually exhibited their new collection at a pop-up Delhi, and from today will showcase their handiwork in the city. Antaran supports handloom traders, weavers, artisans and to-be entrepreneurs, who will now display their traditional designs at the Artisan Exhibit of Handwoven Textiles that starts today.

On sale are dupattas, saris, stoles, yardages and home décor handwoven by the Maniabandha weavers (amongst the last traditional Buddhist weavers) in Odisha, Kamrup in Assam, and Dimapur in Nagaland. The three States are the first to be initiated into Antaran's incubation and design centres that support craft development and build micro-entrepreneurs.

"At the centre, we will equip them with necessary design skills, business acumen, and the knowledge of digital platforms while creating direct access with the boutique buyers," says Sharda Gautam, head of crafts at Tata Trusts.

The artisans are encouraged to steer away from their usual methods, and play with yarns, varied coloured fibres, and experiment with wool and linen, apart from cotton. The Kamrup weavers in Assam usually work with two-pedal looms to create their products, but with access to four-, and six-pedal looms, they are increasing the range of their design and artistic vision.

Since the artisans co-design garments with big-city designers, they aren't restricted by the latters personal style.

“For example, the exhibition in Mumbai will host unique tote bags made from the traditional Naga weave, Assamese motifs on contemporary garments, and Eri silk sarees mixing modern and traditional design elements,” shares Vishesh Sharma, program marketing officer of crafts, at Tata Trusts.

Gautam also stresses upon the importance of the clusters to enable the community to be self-sufficient, by giving them direct access to the marketplace and eliminating middlemen. The artisans have visited stores such as Fabindia, and Good Earth, as well as attended the Lakme Fashion Week to boost the amalgamation of ancestral designs with contemporary wardrobes.

Antaran aims to benefit 3,000 people directly involved in pre-loom, on-loom and post-loom processes, and encourage young weavers to take forward their family lineage. Though the handicraft artists are taught by business professionals, they are urged to avoid homogenising traditional styles. Lest their ancestral motifs be long forgotten.

Source: thehindu.com- July 23, 2019

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