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USD 73.26| EUR 84.03 | GBP 95.11 | JPY 0.65

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21752	45500	**78.89**
Domestic Futures Price (Ex. Gin), October		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22150	48424	**83.96**
International Futures Price		
NY ICE USD Cents/lb (Dec 2018)	78.99	
ZCE Cotton: Yuan/MT (Jan 2019)	15,380	
ZCE Cotton: USD Cents/lb	**85.35**	
Cotlook A Index – Physical	**87.25**	

Cotton Guide: We were very hopeful that the momentum would be continued and ICE cotton will break 80.40 cents very quickly. However, on Tuesday market corrected down from its intraday high and December contract settled a tad lower at 78.99 cents per pound down by 103 points from previous close. Earlier on Monday December future was up by 210 points. The other months settled from 7 to 75 points lower.

On the trading front volume was 37,519 contracts. Cleared yesterday were 40,573 contracts. Open Interest stood at 264,103 up 2,172. We aren't so sure of why price corrected on Tuesday in fact no major reason for it to rise on Monday's trading session. China's ZCE cotton futures had small gains on light volume. That market has not seemed to mind the big falls in the Shanghai Composite Index; down 4.09 percent yesterday and down 2.26 percent today.

US equities had a wild ride Tuesday. The three major indexes slammed lower on their open, leaving big gaps below yesterday's lows. By the end of the day, though, prices filled in those gaps and daily losses were about a half percent. That was much better than the 2-plus percent losses traded early in the session. The other markets like grains and softs were mixed on Tuesday's trading session.

This time if price fails to break above 80.40 means it will again move into the same consolidation range where 75.50 and 80.40 would be considered as two major key support and resistance level in the near term.

Events that are scheduled in the near term: Weekly Export sale report and CFTC on-call Report on 25th October. Next week three days Jim Rogers' Long Spec Fund rolls and on November 8 we have the USDA World Supply and Demand report.

On the domestic front, spot price advanced to trade at Rs. 47100 per candy ex-gin. With a slightly weaker rupee, today's equivalent value is approximately 81.40 US cents per lb. Punjab J-34 has also moved higher, to Rs. 4,660 per maund (76.80 cents per lb). Daily seed cotton arrivals have approached 100,000 lint equivalent bales (170 kgs), including 37,000 in the Northern Zone, 24,000 in Gujarat and 12,000 in Madhya Pradesh. The MCX Cotton future for October has corrected down a bit from higher level to end the session on Tuesday at Rs. 22980 down by Rs. 170 from previous day's close.

Since the ICE cotton is down this morning more half per cent and the Indian rupee is trading strong at 73.26 against the US dollar the Indian cotton future price might see price correction. The trading range for the day would be Rs. 22700 to Rs. 23100 per bale.

FX Guide:

Indian rupee has opened firmer by 0.5% to trade near 73.17 levels against the US dollar. Rupee has benefitted from sharp correction in crude oil price and some stability in Asian equity markets today. Brent crude trades near $76 per barrel today after a sharp 4.2% slide in previous session. Weighing on crude price is Saudi Arabia's promise to raise production to meet demand and any supply shortfall caused by Iran sanctions. Asian equity markets shed early losses to trade higher. China's stimulus expectations have helped equity market stabilize. As per Bloomberg report, the Chinese central bank plans to give 10 billion yuan ($1.4 billion) to China Bond Insurance Co. to provide credit support for debt sales by private enterprises. However, weighing on rupee are global economic concerns and weaker outlook for emerging market economies. Fed's rate hike outlook will also keep US dollar supported. Rupee has opened on a firmer note but may not sustain the gains as risk sentiment is unlikely to improve significantly. USDINR may trade in a range of 73-73.65 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

TPP-11 on track to take effect in mid-January

New Zealand, Australia, Vietnam and Canada to ratify trade pact this year

The 11-country Trans-Pacific Partnership is expected to go into force in mid-January, with signatories topping the required six by November, creating a multilateral free trade bloc covering 15% of global trade.

New Zealand, Australia, Vietnam and Canada are on track to complete the ratification process by November, joining Japan, Mexico and Singapore, which have already done so. The pact kicks in 60 days after six or more members ratify it.

The formation of a free trade zone spanning the Asia-Pacific comes at a time when the Trump administration seeks to gain America-friendly trade deals through a mixture of bilateral negotiations and the threat of tariffs.

Japan, which is about to enter bilateral trade talks with Washington, has been leading TPP negotiations after the U.S. dropped out in early 2017. Toshimitsu Motegi, the economic revitalization minister in charge of the negotiations, has confirmed the estimated timeline and notified Prime Minister Shinzo Abe of the progress on Monday.

New Zealand Trade and Export Growth Minister David Parker told Parliament last week that the government hopes to ratify the TPP-11 "in the coming weeks." Motegi will speak with Parker on Tuesday to confirm the nation's plan.

Australia's Senate last week approved ratification of the pact, with only technical procedures left to make ratification official.

Vietnam begins its parliamentary deliberations on Monday. "Vietnam is striving to be one of the first six country members to ratify" the pact, Prime Minister Nguyen Xuan Phuc said on a visit to Japan earlier this month. Legislative approval is expected by Nov. 12.

Canada is scheduled to conclude parliamentary discussions this week, with plans to complete the process in mid-November.

The 11-member TPP -- formally renamed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP -- will cover 13% of global gross domestic product. Eventually, 99.9% of Japan's industrial exports and 98.5% of farm exports will enjoy tariff-free market access. For automobiles, Canada's 6.1% tariff will be lifted in five years, and Vietnam's 70%-plus tariff on large vehicles will be dropped in 10 years.

After the agreement takes effect, ministers of member countries will meet to discuss inviting nations that have expressed interest in joining, such as Thailand and the U.K. Expansion is targeted for mid-2019 at the earliest.

Japan is eager to see the pact take effect early next year. With talks with Washington on a bilateral trade agreement kicking off as early as Jan. 16, having the TPP-11 in effect by then would enable Japan to use it as a baseline in negotiating duties on agricultural goods.

Source: thehindubusinessline.com- Oct 23, 2018

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US border city seeks more engagement with China

Though the bustling border metropolis may not be the first city of the United States that comes to people's mind regarding global trade, Laredo, a city with a population of about 250,000 in southern US state of Texas, is a veritable international trading giant.

Laredo owns the busiest inland port along the US southern border, which is also the second busiest port overall in the country, trailing only the Port of Los Angeles, California.

China is the city's second largest trading partner, with neighbouring Mexico the first. China's trade volume with Laredo increased 5.23 percent to 4.02 billion US dollars in 2017.

MORE TRADE WITH CHINA

Olivia Varela, president and CEO of Laredo Economic Development Corporation, told Xinhua in a recent interview that China is one of the major trading partners of Laredo with the top trading commodities being electronics, textiles and automotive parts.

"One of our major trading partners is China, last year with a five percent increase in trade coming in from China into the United States through this port of entry. So we considered China one of our strongest trading partners that is critical to this region," Varela said.

Varela's comments were echoed by Mayor of Laredo Pete Saenz who seems like an energetic and enthusiastic salesman when pitching Laredo as a business-friendly city.

According to Saenz, there is a small Chinese community in Laredo, mainly in restaurants and other service businesses. More Chinese investment and businesses are highly welcomed in the city.

"Chinese are known for your innovation, ingenuity. You can basically do so many things. You can add value to whatever commerce we have coming from Mexico into the United States and vice versa," Saenz said.

Talking about the advantages of Laredo, Saenz said that logistics, distribution and abundant natural resources of energy and water make the city competitive for Chinese investors.

"So we have the necessary ingredients to provide anyone willing to do light manufacturing or even heavy manufacturing," he said, adding that "Laredo has land that can be provided as an incentive."

With the ongoing trade friction between the United States and China, both Varela and Saenz said they haven't seen negative impact on trade figures. Varela expressed the hope that those issues could be resolved as soon as possible.

"We fully expect that once all of these issues are resolved, we will have a much strong relationship and anything that is currently being put on hold will just continue to move forward. We have a very positive outlook for once this is all resolved that we're going to see probably a much more significant growth than that five percent in our trade," she said.

Saenz believes that by continuing and expanding trade with China, Laredo can set a good example to the world.

"We will continue doing business as we have for years and years. And let's be a showcase to the world that we've got to focus on what we do best and we've done it."

The mayor also told Xinhua that he and other Laredo officials had met with representatives of the Chinese city of Suzhou, a major trade and economic center in eastern China. Although discussions between the two cities are in the early stages, Saenz said officials from the two cities are working on developing a relationship.

"So come to see the border and see if it suits your needs and if it doesn't, we'll talk and we'll make it suit your needs," Saenz said. "Just give us the opportunity to demonstrate our willingness and our capacity and our resources that we have to provide to any investor that is willing to do business in Laredo, Texas."

BUILDING CULTURAL BRIDGES

Trade is not the only bridge that links the US border city with the world's second largest economy. Over the years, Texas A&M International University (TAMIU) in Laredo has sent over 100 students to China to cultivate better understanding of different cultures and establish a global vision for future leaders.

Triana Gonzalez Valdez, director of the Office of International Engagement at TAMIU, explained to Xinhua that the university has different types of exchange programs with Peking University, Southwestern University of Finance and Economics in Chengdu and City University of Hong Kong.

Each year, more than 30 students from TAMIU are sent to China through various exchange programs ranging from summer camps to one-year courses. At the same time, Chinese students from those partner universities are also sent to TAMIU to spend a certain period of time.

Valdez said exchange programs with China are very popular among the students. Amazed by China's rich culture and history, students always have "tremendously positive" feedbacks when they return from China.

"Students are fascinated with the Chinese culture and Chinese language. And a lot of them go for a semester and decided to stay for a longer period of time or decide to go back in teaching English in China," she said.

"They grow so much personally. They become more independent. They become more sensitive to other cultures, more aware of diversity and other cultural, social and political issues around the world. So when they come back, they are more globally aware of what's going on in the world," Valdez said.

Source: globaltimes.cn- Oct 23, 2018

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The US Trade Deficit With China Has Cost 3.4 Million US Jobs

China was granted admission to the World Trade Organization (WTO) in late 2001 and since then the U.S. annual trade deficit with China increased from $83.0 billion to $375.2 billion in 2017. That increase has cost U.S. workers 4.14 million lost jobs due to the number of goods imported from China and added 780,000 jobs in U.S. jobs that produced goods for export. The net impact has been the loss of 3.36 million American jobs in the 16 years since China became a full member of the WTO.

The data were reported Tuesday morning in a new study from the Economic Policy Institute (EPI) titled "The China Toll Deepens." EPI has been updating its research on U.S.-China trade and jobs since 2012.

The EPI model estimates the amount of labor (number of jobs) required to produce a given volume of exports and the labor displaced when a given volume of imports is substituted for domestic output. The difference between these two numbers is essentially the jobs displaced by the growing trade deficit, holding all else equal.

Every state and every congressional district in every state has lost jobs. The 10 states hit hardest were New Hampshire, Oregon, California, Minnesota, North Carolina, Rhode Island, Massachusetts, Vermont, Wisconsin and Texas. As a percentage of total state employment, New Hampshire lost 3.55% of its jobs while Texas lost 2.57%.

Based on total jobs lost, the five states hit the hardest were California (562,500 jobs lost), Texas (314,000), New York (183,500), Illinois (148,200) and Pennsylvania (136,100). The trade deficit hit the computer and electronic parts industry hardest, costing 1.21 million jobs over the period, or about 35% of the total.

In nominal dollars, the manufacturing trade deficit with China totals $320.8 billion, of which some $230.5 billion represents durable goods. Nearly all (99.4%) of growth in U.S. imports of Chinese goods is accounted for by manufactured goods.

Of the total 3.4 million jobs lost since 2001 related to trade with China, 74.4% (2.5 million) were manufacturing jobs.

The EPI report attributes the swelling U.S. trade deficit with China is to “China’s trade-distorting practices, aided by China’s currency manipulation and misalignment and its suppression of wages and labor rights.”

Add to this the Chinese failure to ramp up demand for either imported or domestically produced goods and expanded foreign direct investment in China. The inevitable outcome was overproduction of goods like steel, renewable energy products (solar PV cells) and others that ended up being dumped on global markets, particularly the United States.

Citing prior research, the EPI study estimates that between 2001 and 2011, 2.7 million U.S. workers were displaced from jobs in exporting industries that paid an average of $1,021.66 a week to jobs that competed with imported goods (if such a job could be found) that paid an average of $791.14 a week. That works out to a direct net wage loss of $37 billion annually.

Indirect losses would push that total even higher. Again citing earlier research, the EPI study estimates that indirect, macroeconomic losses to U.S. workers without college degrees caused by growing trade with low-wage nations were about five times as large as the $37 billion in direct wage losses in 2011 from trade with China.

Source: 247wallst.com- Oct 23, 2018

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Alibaba aims to set a new high in 11.11 global sale this year

On November 11, it is confident of crossing last year's sales of $25.3 b

As Indian e-commerce majors rejoice over the five-day festival sales earlier this month that generated around $2 billion, Chinese e-tailer giant Alibaba is looking forward to surpassing its last year Singles' Day global sale that amassed $25.3 billion.

The entire size of Indian online retail is projected to touch $25 billion this year.

Alibaba's 11.11 Global Shopping Festival (earlier known as Singles' Day) is hosted annually on November 11 and is termed the world's largest 24-hour online shopping event in terms of gross merchandise value (GMV).

Kicking off its Global Shopping Festival, Alibaba Group Holding Ltd promised that this year's event will be the largest in terms of scale and reach. Last year, the retailer hit a record $18 billion in just 13 hours, eclipsing the previous year's record of $17.8 billion in 24 hours.

Market research experts attribute the massive growth to retailers competing for a share of consumer spending in China's growing economy.

Indian e-tailers

Research firm RedSeer Consulting in its report said, during the five-day festival sales from October 9-14, Indian e-tailers achieved sales of about ₹15,000 crore (around $2 billion) , translating to 64 per cent year-on-year growth compared to ₹10,325 crore ($1.4 billion) in 2017.

The size of Indian online retail has also grown tremendously, from $4.5 billion in 2014 (the year of the first festival sale) to $25 billion projected in 2018.

Alibaba is hoping to surpass $25-billion figure in a single day, in this year's sale.

“This year marks the 10th anniversary of 11.11. On the back of China’s explosive digital transformation, the festival’s astounding growth over the past decade has powered the steady growth of quality consumption sought by Chinese shoppers.

The evolution also showcases the development of the Alibaba ecosystem well beyond e-commerce,” Alibaba Group CEO Daniel Zhang said in a statement.

Zhang conceived 11.11 as a concept a decade ago, turning ‘Single's Day’ into the world’s largest annual shopping event. The first 11.11 in 2009 brought in $7.8 million in GMV. Total GMV generated in 2017 was $25.3 billion.
New retail

“Over the last two years, we have pioneered the concept of ‘new retail’ to accelerate digital transformation,” Zhang said, adding the firm will continue to be the driving force to innovate for merchants and customers.

Its ‘new retail’ strategy is the convergence of online and offline retail through technology. The Chinese e-commerce major is building a digital services ecosystem which will enhance customer experience by augmented reality, artificial intelligence and facial recognition.

Alibaba aims to use data and technology to transform retail, including offline retail, which accounts for 82 per cent of the total.

The past decade also saw the rise of internet users in China to 802 million, with 98 per cent of them being mobile.

Source: thehindubusinessline.com- Oct 23, 2018

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Sustainability Progress Could Stagnate if Apparel Brands Don’t Make Bigger Commitments

The supply chain has positioned itself for sustainability but brands are still too far behind in backing the mills and makers that will help them move the needle.

With 800 attendees descending on the Textile Exchange Textile Sustainability Conference in Milan, Italy, Monday, it’s clear brands and retailers are on board with the idea of sustainability, and many are making claims and reaching set targets to green their supply chains. The problem, however, is that the committed may still be too few and their commitments still too small.

Though Geetanjali Woollens has been recycling post-consumer clothing for 40 years, the India based factory only started touting its sustainability efforts in recent years, and still, company director Deepak Goel said, brands aren’t on board in a big enough way.

Geetanjali gathers post-consumer apparel from waste collectors in the U.S., Europe, Australia and Japan, sorts it by fiber composition, then sorts it again by color. Each color gets shredded into fiber, spun into yarn and finds its way into sweaters, accessories, beanies and socks—each produced without dyes and chemicals, and substantially less water.

The product’s appeal for sustainability is obvious, but education on post-consumer apparel and its properties is still lacking, and brands are still using the same yardstick to measure post-consumer yarns against their virgin fiber counterparts in terms of how they perform to certain standards, which has lessened their uptake in some cases.

“I can make the product but if I am not able to sell it, what is the sense of me continuing to produce?” Goel posed. “Right now, people are still just talking. There’s not been a lot of action on this and I think it will take another year or two.”

Geetanjali recently shipped an order of sweaters to Reformation—which has fast become a leader in sustainable fashion for the conscious millennial consumer—and while it’s a great stride, Reformation takes in just a fraction of the nearly 25,000 kilos of clothing Geetanjali recycles every day.

“We need brands to start moving larger volumes,” Goel said. “If they stay with 100-200 kilos, that’s not going to be sustainable as a factory because we’ve got workers to pay, we’ve got bills to pay.”

At Neo-Concept, a vertical factory headquartered in Hong Kong with factories in China and Cambodia, sustainability is built into the company’s ethos. And if you ask Jackie Tsui, Neo-Concept’s sales and marketing director, brands that haven’t woven sustainability into the fabric of what they do are finding themselves hard-pressed to get consumers to pay up for more eco-friendly product.

The company, known for its fully traceable cashmere, makes circular knits and wovens and prides itself on offering “affordable luxury,” made possible by its verticality.

“From our customer base we can see that more and more retailers as well as consumers are concerned about the environment. They come to us because they know we are doing a lot of sustainability product. They come to us to understand more about this product,” Tsui said. “I can see in the past two years it’s more and more people working on that. Especially the European consumer…the U.S. customers are a little bit behind.”

U.S. brands, like Reformation, that are buying into building a sustainability-based entity, have created a community of caring consumers willing to pay higher prices for greener product.

“Their customer is more on the younger [more conscious] generation…and the customers who go to Reformation are really looking for something special,” said Tsui, who ships recycled product to the retailer. “Other brands, they are also thinking about sustainability, but because of the price sensitivity, they are also concerned whether their customers understand about sustainability versus the price.”

Taylor Home & Fashions, which has made sustainability its niche, said slowly but surely the mill is starting to get better reception among brands and retailers in Europe, with U.S. brands still trailing behind. But the company’s vice president Gary Frenchman, agreed that the mill’s success will have a lot to do with what comes from the consumer.

“I think that the consumers may care about it, but not enough to zero in on it,” Frenchman said. “And I think that a lot of the retailers are interested in as low a price as possible, and if we can do more in educating the consumers then I think it will pick up, and I think that’s starting to happen now—but it’s a process.”

Really, Frenchman added, it’s about education and communicating the sustainability message.

“And how do you put that on a label?” he said.

Source: sourcingjournal.com- Oct 23, 2018

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Growth Erosion Seen in Global Economy as Oil Prices and Trade Disputes Take Toll

A confluence of issues is coming together to paint a less-than-pretty picture for the future of the global economy to the point of the “R” word rearing its ugly head in a new report from IHS Markit.

“While a global recession is probably still a year or two away, there are storm clouds on the horizon, which are starting to look more than a little threatening,” wrote Nariman Behravesh, IHS Markit chief economist, and Sara Johnson, executive director of global economics, in the firm’s “October Forecast Flash from Global Insight.”

Behravesh and Johnson’s conclusion was based on economic and political conditions that have become inseparable. That’s particularly impactful to the apparel, footwear and textile supply chain, with its long tentacles reaching across borders, trade agreements and international relationships.

“The good news on the trade front is that the United States, Mexico and Canada have agreed to a revised North American trade treaty,” they said. “The bad news is that the trade tensions between the United States and China seem to be escalating inexorably.”

The economists noted one symptom of the contentious trade environment is a decline in the IHS Markit purchasing managers' index (PMI) for global export orders for the first time in more than two years. Another key concern is the recent rise in oil prices above $80 per barrel. Combining these factors, IHS Markit forecasts world gross domestic product (GDP) growth will slip to 3.1 percent in 2019 and 2.9 percent in 2020, from 3.2 percent this year.

The report said recent strength in employment and income, improvement in household net worth and high consumer sentiment in the U.S. have generated economic momentum at the same time as tariffs on $200 billion of imports from China went into effect.

"In our view, the higher tariff rates will reduce demand for imports from China, but two factors will mitigate this effect: Chinese exporters will temporarily reduce the pre-tariff price to preserve market share, and some imports will be re-sourced outside of China to avoid paying the tariff," wrote the report's authors. "We also expect higher post-tariff import prices to pass through to domestic prices and weigh on real income and wealth, reducing domestic demand."

IHS Markit now forecasts real GDP growth in the U.S. to rise to 2.9 percent this year, before slowing to 2.8 percent in 2019, 2 percent in 2020 and 1.6 percent in 2021.

In Europe, the increase in oil prices could hamper growth considerably, while an economic slowdown in much of the rest of the world is taking a toll on exports.

"This drag is even bigger owing to the ongoing impact of trade tensions and the rise in the euro and sterling against emerging-market currencies, including the Chinese renminbi," the report said. "In addition, the standoff between the European Union and bond markets, on the one hand, and the populist Italian government, on the other, over the latter's aggressive budget is sending tremors through eurozone financial markets. At the same time, the risk of a "no deal" Brexit is on the rise."

With those issues in mind, IHS Markit has reduced its outlook for Eurozone real GDP growth rates in 2019-21 by an average 0.2 percent a year. Its forecast for the Eurozone economy is for 2 percent growth this year, followed 1.6 percent expansion in 2019 and 1.3 growth in 2020.

In China, it's plain and simple, IHS Markit said: "The trade war is beginning to take its toll." The latest U.S. import tariffs on $200 billion of Chinese goods are being imposed in two phases—10 percent last month and rising to 25 percent on Jan. 1.

"These tariffs will have a direct impact of shaving 0.3 percentage points off real GDP in 2019," the report said. "This negative effect will be partially offset by the government's stimulus policies."

Beijing has announced personal income tax cuts, as well as increases in export tax rebates on a select list of products, the report noted. The People's Bank of China has also lowered the reserve requirement by 100 basis points for many banks, aiming to increase liquidity.

"The trade war's spillover effects have been visible," the economists wrote. "Business confidence is slipping, the growth in fixed asset investment has slowed sharply, and China's currency and stock market have been hit hard."

Real GDP growth in China is now projected to slow to 6.1 percent in 2019 and 6 percent in 2020 from 6.7 percent in 2018.

As for other large emerging markets, they "cannot seem to catch a break," the report said. During September, many currencies, including the Russian ruble, South African rand and Turkish lira, saw gains against the dollar, only to reverse course in October.

"The recent surge in oil prices is becoming a major drag on oil-importing countries, especially those in the emerging world," the report concluded. "Even countries whose finances are relatively strong, such as India, are affected. Given that IHS Markit predicts oil prices to remain high and global interest rates to keep rising, the pain will not end anytime soon."

Source: sourcingjournal.com- Oct 23, 2018

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Brexit has already hurt EU and non-EU exports by up to 13% – new research

Over the past few months, we have been investigating how the vote of June 23 2016 has since affected the volumes and patterns of Britain's trade with major trading partners inside and outside the European Union. By comparing trade flows with a model of what UK trade flows would have looked like had the UK voted to stay in the EU, we can clearly see that British exports to both EU and non-EU countries have taken a hit.

The very fact that Brexit hasn't actually happened yet makes this question even more interesting to us as trade economists. No tariffs or trade barriers have been placed between the UK and EU, and yet companies are already aware that, depending upon the final deal, there may be substantial barriers within months. Several academic studies have emphasised that policy uncertainty is a major deterrent to trade, and the current Brexit negotiation period has been a good opportunity to test this.

It is a particularly good test because the Brexit vote came as such a shock: even on the day of the referendum, odds on Remain winning were about 9:2. A classic sign of surprise is the plunge of 10% to 15% in value of sterling against the dollar and euro within hours of the result.

In order to investigate the effects of the policy uncertainty and anticipation upon Britain's exports and imports, we turned to the published monthly statistics for bilateral trade between the UK and 28 other countries (14 in the EU, 14 outside). These are currently available from 1999 to the first three months of 2018. We used these to predict what might have been expected to happen to the UK's trade with each country in a counterfactual world where the Brexit vote had gone the other way.

A key assumption in our model is that the Brexit vote had a very strong shock upon trade flows involving the UK, but relatively little shock on flows which do not involve the UK. This allows us to compare how British trade levels have changed based on trade flows between other pairs of countries and, in doing so, we built a "synthetic doppelganger" for Britain's trade in the months after the Brexit vote, using patterns of trade between other countries for unobservable shocks across countries such as changes in tastes and global business confidence. We also accounted for specific observable factors such as GDP and exchange rate changes.

Clear and consistent findings

We compared UK exports to and imports from each of the other 28 countries with a synthetic doppelganger. In all cases, the doppelganger and actual trade track each other closely up to the point of the referendum, after which there is a clear divergence.

For both UK exports to the EU and those to non-EU countries, we found a clear and consistent story: from the moment of the vote, British exports fall strongly behind the projected growth had there been no Brexit vote.

In both cases, the divergence is of a similar order of magnitude (8-13% before taking account of lagged exchange rate effects, or 13-16% without doing so). Interestingly, this is similar to the fall in sterling that followed the Brexit vote. This suggests that, through the fall in the pound, the UK started pricing its exports much more cheaply (in terms of dollars), but found few extra buyers, other than those we would have already expected, so the volume of exports moved in line with trade between our neighbours, but they were worth less due to the fall in sterling.

We also found commercial services exports – things like travel and tourism, transportation services, education, and banking, which are priced in US dollars – also stagnated for 18 months after the Brexit vote. This is at a time when world demand was growing.

In interpreting these poor export results, it is worth noting that there have been many reports of high export figures. But it's important to recognise that these export numbers are measured in pound sterling and do not take into account the weakness of Britain's currency. While there's the appearance of a rise in exports, this is in large part due to the growth there's been in global markets over the last couple of years.

Further, we argue that, since a significant amount of Britain's exports are used to buy imports, what really matters is the value in terms of the currencies of our trading partners. If British exports sold can buy fewer imports, that translates to falling living standards at home, as imported goods rise faster in price than wages. Hence, Britain has lost a significant share in global markets (in terms of value) due to the uncertainties around Brexit, and is already poorer as a result.

Source: theconversation.com- Oct 23, 2018

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Sri Lanka's textile exports up 4.7% in Jan-July '18

Sri Lanka's earnings from textiles and garments exports increased by 4.7 per cent year-on-year to $2.984 billion in the first seven months of 2018, according to the statistics recently released by the Central Bank of Sri Lanka. Imports of textiles and textile articles were up 4.3 per cent to $1.610 billion, while clothing and accessories imports fell 14.3 per cent to $189.5 million during the seven-month period.

In July 2018, Sri Lanka's earnings from textiles and garment exports turned negative after being positive for a couple of months. The island nation earned $465.6 million from textiles and clothing exports, registering a decline of 0.2 per cent over exports of $466.6 million during the same month of 2017.

"Export earnings from textiles and garments declined marginally in July 2018 due to the decline in demand from the US and non-traditional markets such as Canada, UAE and Australia and the base effect which reflected significantly high export earnings in July 2017," the central bank said in its report 'External Sector Performance – July 2018'.

Meanwhile, Sri Lanka's expenditure on textiles and textile articles increased in July 2018, "due to higher expenses on yarn and fabric imports". Textiles and textile articles imports increased 5.3 per cent to $249.6 million during the month, whereas clothing and accessories imports jumped 9.2 per cent to $24.4 million.

In 2017, Sri Lanka earned $5.031 billion in textiles and apparel exports, registering a growth of 3 per cent year-on-year. Of this, clothing exports alone accounted for $4.739 billion. On the other hand, imports increased by 0.7 per cent to $2.724 billion.

Source: fibre2fashion.com- Oct 23, 2018

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Indonesia explores new markets

Indonesia will open more markets through numerous trade deals. It currently has signed trade deals with Pakistan, India, United States of America, Spain, Swiss, Tunisia, Bangladesh, Taiwan, New Zealand, and Morocco.

The United States and the European Union are the main destinations for Indonesia's textile exports. With such agreements in place Indonesia expects its exports of textile and textile products to increase three-fold.

The cooperation agreement with Japan has helped increase Indonesia's exports. The country's trade balance had experienced a surplus of $230 million throughout September 2018, a contrast to the previous month, which experienced a $1.02 billion deficit.

The industry in Indonesia wants downstream products to be protected from the onslaught of imports.

Other aspects that need improvement include electricity tariffs, ease of distribution and quality of human resources.

For Indonesia, trade agreements with partner countries can increase the export value and increase market share. Despite the export growth, Indonesia's imports still exceed its exports.

Till now lack of market access has been a constraint for the textile industry. Meanwhile, textile products from neighboring countries, such as Vietnam, can enter with a zero per cent import duty.

At present, the market share of new domestic textile products is around 1.8 per cent while in Indonesia the textile industry has been integrated from upstream to downstream so that the potential for development is still large.

Source: fashionatingworld.com- Oct 23, 2018

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USA: Amazon Branded Women's Apparel Sales Languish, Report Finds

Amazon.com Inc.'s scatter-shot attempt to shake up women's fashion by launching a barrage of private label brands isn't going so well, according to a report by Jungle Scout, a data-research firm for merchants on the e-commerce website.

Apparel makes up 88 percent of all Amazon private label brands, but only 1 percent of all private label sales, according to the report. Women's fashion, which makes up most of the company's clothing brands, is struggling the most, with more than 4 of 5 Amazon women's clothing brands selling fewer than 100 items per month, according to the report.

"Amazon has invested heavily in women's clothing labels and continues to do so," Jungle Scout said in the report released Tuesday. "However, our data show that women's clothing performs poorly for them."

The report shows that Seattle-based Amazon's apparel brands aren't benefiting from consumers' greater interest in buying clothing online. Online sales made up about 27 percent of all U.S. apparel purchases in 2017, up from almost 21 percent in 2015, according to Internet Retailer.

Shoppers are ready to embrace some Amazon-branded products — like batteries, phone chargers and baby wipes — but not others. Amazon devices like Echo smart speakers, Fire tablets and Fire TV streaming devices make up more than 60 percent of the sales of the company's brands.

Amazon has more than 120 brands, about 100 of which were introduced over the past two years, according to TJI Research.

Some brands are directly tied to the Amazon name, such as Amazon Basics merchandise and Amazon Essentials clothing, which includes pull-over fleeces, T-shirts and underwear. Other private label brands, including most of its other fashion lines, don't include the Amazon name.

Amazon is seeking to improve its clothing sales with strategies such as introducing a try-before-you buy program last year for its Prime members, which allows customers to order clothing, keep and pay for what they want and ship the rest back. Amazon also entered a partnership with Kohl's Corp. last year to let customers make returns at select Kohl's locations.

Source: fibre2fashion.com- Oct 23, 2018

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Ethiopia briefs Hong Kong business delegation

The Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA) and the Ethiopian Investment Commission recently briefed a 30-person delegation from Hong Kong on business opportunities in the country.

Manufacturing, textile and garments, pharmaceuticals, agro-processing and power generation are priority investment areas in Ethiopia, the delegation was told.

The briefing covered land lease, tax, other investment-related services and the continental and international agreements the country has signed, according to an Ethiopian newspaper report.

ECCSA secretary general Endalkachew Sime said Hong Kong investors can fully own companies or can have partnership with Ethiopian firms.

The meeting was organized by the ECCSA in partnership with the Hong Kong Development Council.

Source: fibre2fashion.com- Oct 24, 2018

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Export challenges confront Bangladesh with dipping currencies

Bangladesh's apparel manufacturers are facing tough competition due to a devaluation in the currencies of all emerging countries.

The Indian rupee depreciated by 10.04 per cent against the dollar in the current year, while the Indonesian rupiah fell by 7.89 per cent and the Chinese yen depreciated by 4.85 per cent.

Readymade garment manufacturers in Bangladesh and exporters have called for a separate exchange rate for exporters, which would give a cushion to exporters as well as help the country enlarge its export volume.

The country's readymade garment sector has already lost its competitive edge in global markets due to a rise in production costs. A lot of money has been spent in improving safety standards to ensure a safe environment for workers.

Also manufacturers have to implement the new wage structure from December.

Bangladesh's overall exports grew 5.81 per cent in the fiscal year 2018 compared to fiscal year 2017. This has been mainly due to higher shipment of garment products.

China is the largest apparel exporter to the globe with a 34.9 per cent market share. Bangladesh is the second largest exporter with a 6.5 per cent market share.

Vietnam is the third largest with a 5.9 per cent market share. India is ranked fourth.

Source: fashionatingworld.com- Oct 23, 2018

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Pakistan: APTMA urges tax facilitation, duty to uplift textile exports

All Pakistan Textile Mills Association (APTMA) has urged the government to tax regime, ease duty for increasing textile exports.

Zahid Mazhar, newly elected Chairman of All Pakistan Textile Mills Association (APTMA), Sindh Balochistan Region in a statement on Monday appreciated reduction in gas prices of 5 export oriented industries is a step in the right direction to make our products internationally competitive.

"However, he pointed out that in order to encourage industrialization and revive the exports of textile sector, the government would have to address other major odds also hurting our industry and exports such as immediate payment of our long overdue refunds of Sales Tax, Income Tax and export DLTL which is severely hurting our liquidity, removal of duties from import of cotton and polyester staple fiber to ensure their availability at affordable price, removal of GIDC, low productivity of labour, shortage of water available for industries in Karachi, and high cost of doing business for which government has already assured its commitment."

All these are hurting the viability of the industry by increasing the cost of doing business which cannot be passed on to the international buyers.

He further said that such issues were leading towards de-industrialization and decline in Pakistan's share in global textile trade, while the share of our regional competitors like Bangladesh is rising by leaps and bounds.

He said that we were requesting time and again to the previous government in the last five years to address the above issues which are the real reasons of the present economic crisis of ballooning trade deficit, all time high Current Account Deficit and Fiscal Deficit, but to no avail. He hoped that the new government will not repeat the mistakes of the previous one.

Zahid Mazhar expressed the hope that the government of Imran Khan would implement the textile policy presented by his team during the visit to APTMA early this year in later and spirit so that the issues and problems faced by the textile industry the major export earner of the country may be resolved as the country has already suffered loss in exports of almost US$ 25 billion during the last five years.

Zahid Mazhar urged the new government to give attention to the cotton crop which has witnessed a massive decline over the last few years due to the lowest yield of cotton farming which needs to be addressed on urgent basis.

He reminded that four years ago we had achieved the highest cotton crop of 14.87 million bales of cotton which has now fallen to 10.8 million bales as against the actual potential of 17.5 million bales annually.

Source: pakobserver.net- Oct 23, 2018

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Import regulation remains disputed topic for economists and countries

Economists across the world are at loggerheads with policymakers on whether countries should impose import duty on specific products to regulate imports? While many countries, including India, are actively considering such measures, economists argue governments should refrain from regulating trade flows.

Free imports not only expand production quickly but also boost the purchasing power of consumers by allowing them to buy high-quality goods at low price. If trade flow is unhindered, the law of comparative advantage forces countries to specialise and trade in products they have some competitive advantage in. This benefits consumers and producers of both exporting and importing countries.

Incentives for comparative advantage

China has repeatedly proved that comparative advantage, in most cases, can be developed in a short period byImport regulation remains disputed topic for economists and countries 001 offering several incentives. In the 1980s, China had no domestic electronics and computer industry and imported everything for meeting local needs. The country decided to implement a shrewd production strategy. It attracted MNCs to set final assembly units in China by offering them low-cost land, power, water, labor, tax exemptions, and an efficient customs administration. MNCs were allowed to import all inputs through the 'global value chain' model of shared production.

Raw materials and low-end components for these units were sourced from ASEAN and while the components requiring advance manufacturing came from Japan, Korea and Taiwan. This model made China the leading exporter of electrical machinery, electronic items and telecom equipment by 2005. In the next phase of growth, the country reduced its dependence on the GVC model by manufacturing everything needed in-house. China applied a similar strategy for organic chemicals and electrical machinery to emerge a world leader.

High import duties impending growth

While average import duties are low for many developed countries, the US, the EU and most other developed countries charge high import duty on products of interest to developing countries and grant calibrated access only.

The EU and the US charge 10-20 per cent import duty on Indian apparel and shoes. Japan charges 300 per cent duty on rice. Many European countries charge seasonal import duties on agriculture products.

Total import duty on some types of steel in the US and EU exceeds 100 per cent. South Korea is an excellent example of export-led development, but in most sectors it imposes high import duties and non-tariff barriers. The US is fast approaching a point where it would impose extra 25 per cent import duty on all goods coming from China. And, China is mechanically retaliating by doing the same.

Strategy need for import substitution

Action is also needed to reduce over-reliance on a country on products related to health, food or national security. For instance, India imports over 90 per cent of its requirement of Active Pharmaceutical Ingredients (APIs) from China. Realising this, China sharply increased prices in the past two years. India therefore, needs an urgent strategy for import substitution.

China accounts for more than 95 per cent of Indian imports for items such as blankets, bed linen, artificial flowers, kitchenware, baby carriages, clock movements, tricycles, festival items, combs, vacuum flasks, candles, etc. As these are low technology, labour-intensive products, they can be manufactured even locally.

No alternative to innovation

Indeed import substitution cannot be an option to innovation. For instance, a high-technology product like a driver-less car can only be produced in a country that has with in-depth institutional knowledge of precision fabrication, electronics, robotics, design, IT and many more streams, it cannot be manufactured in countries like Brazil, India or China. Quick comparative advantage cannot be developed in a short period for such products through import substitution.

Source: fashionatingworld.com- Oct 23, 2018

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Pakistan: Commodities: Cotton prices fall

Downslide in cotton prices gained momentum on Monday following weaker demand for yarn from traditional buyers particularly China and Hong Kong.

The correction in cotton prices, which crept in last Saturday, became more conspicuous as trading activity suddenly shrank in the background of weaker demand from world buyers of cotton yarn. Trading activity on ready counter suddenly declined as buyers withdrew to the sidelines.

Trading activity on ready counter suddenly declined as buyers withdrew to the sidelines. According to market sources, during the recent cotton related events held in China, placing of cotton yarn orders was relatively slow which created panic for suppliers like India and Pakistan.

As a result, many leading spinners and big textile mills have adopted a cautious approach and restricted their buying for the time being, said a broker while speaking to Dawn. However, US cotton suddenly took a turn for positive overcoming downslide as prices rebounded on reports that due to unfavorable weather conditions. In many cotton growing states across the US, cold weather has adversely affected the crop.

Most cotton plants are at bolling stage at this time of the season and require hot weather to turn in to fibre. The Karachi Cotton Association spot rates were revised downward by Rs150 to Rs8,750 per maund.

The following deals were reported to have changed hands on ready counter: 1,000 bales, Shahdadpur, at Rs8,400-8,125; 400 bales, Rohri, at Rs8,700; 2,000 bales, Nawabshah, at Rs8,475-8,500; 600 bales, Ghotki, at Rs8,970; 1,600 bales, Khairpur, at Rs8,700-8,800; 1,400 bales, Rajanpur, at Rs8,800; 800 bales, Haroonabad, at Rs8,600; 6,000 bales, Khanpur, at Rs8,900; 1,000 bales, Sadiqabad, at Rs8,900; 200 bales, Hasilpur, at Rs8,800; 600 bales, Rahim Yar Khan, at Rs8,900; and 1,200 bales, Fort Abbas, at Rs8,760.

Source: dawn.com- Oct 23, 2018

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Vietnam ramps up raw material imports

Vietnam's imports of garment and textile materials rose significantly during January to September 2018. In clothing materials, fiber imports jumped 34.6 per cent from the same period in 2017. Cotton imports saw a rise of 30.3 per cent compared to the first nine months of 2017. Imports of waterproof fabrics rose 13.5 per cent.

The country has to import large volumes of feedstock including yarn, fabric and others. The industry has to decrease its dependence on traditional sources in Asean and China. Depending on purely one or two sources will limit manufacturers' production capacity and development. Vietnam has imported garment and textile raw materials from China for a long time. It is now looking at upgrading technologies as well as diversifying its raw material sources.

India is seen as one of the best alternative choices. Many Vietnamese garment companies have visited India to explore co-operation opportunities and returned impressed with the country's garment and textile industry, since several raw materials available in India suit their needs.

Indian products have good quality and are priced reasonably due to the free trade agreement signed between India and Asean. Besides, India plans to cut taxes on garments and textile sector products in future.

Source: fashionatingworld.com- Oct 22, 2018

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NATIONAL NEWS

India: Tirupur manufacturers opening units abroad to tap US, EU markets

The multi-million Indian knitwear industry, which faced the brunt of demonetisation and GST, is in doldrums today as many garment manufacturers are shifting their units from Tirupur to countries like Ethiopia and Sri Lanka that provide free access to major markets like the US and EU.

The country offers excellent infrastructure to young entrepreneurs. It also has geographical advantage over others as the flying time from Coimbatore to Colombo is just 70 minutes. In the past six months alone, four well-known garment manufacturers, who excelled in the sector for decades, opened factories in Ethiopia.

Cheap labor, market access lures manufacturers abroad

Some major reasons why many manufacturers are opting to open units in foreign countries are: cheap labor, free market access to the EU and US, readily available infrastructure and absence of red-tape. The Indian industry, which was growing at over 10 per cent every year, has been reporting a 7 per cent dip since 2011, resulting in loss of a whopping Rs 2,000 crore (US$ 0.27billion) . Exports, valued at Rs 26,000 crore (US$ 3.54 billion) in 2016-2017, declined to Rs 24,000 crore (US$ 3.27 billion) in 2017-2018 and domestic sales stood at around Rs 18,000 crore(US$ 2.45 billion) .

India does not offer free market access to EU and the US, which puts manufacturers in Tirupur at a disadvantageous position since entry tax is levied once India Tirupur manufacturers opening units abroad to tap US EU markets 001 goods reach the destination countries.

Bangladesh and Sri Lanka, on the other hand, offer free access to the EU; Ethiopia also offers free access to both the EU and the US – thus attracting most of the buyers.

The labor cost in Tirupur is $150 to $200 (between Rs 11,000 to Rs 15,000) a week, while it is just $75 (Rs 6,000) in Ethiopia. Secondly, in India, separate labor is hired for stitching, packing, etc. Foreign countries, however, train their labor to multi-task, saving much more on the cost involved.

Plug and play model add to the attraction

The Ethiopian government keeps its infrastructure ready for garment manufacturers – all they have to do is to go with their machines, hire employees, train them and their factory is up and running. This plug and play model attracts manufacturers as they don't have to go through the hassle of looking for land, constructing a building and get permissions. Everything is done by the government; all they have to do is to start our operations

R Rajkumar, Managing Director, Best Corporation, which launched operations in Hawassa, Ethiopia a couple of months ago, operates 500 machines in the country in two shifts. The company plans to increase capacity to 2,000 machines gradually. Santex Inc, which was also lured by the free market access that Sri Lanka offers to the EU, has opened a factory near Kandy in the country.

Source: fashionatingworld.com- Oct 23, 2018

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India and the new face of globalization

Technology has become a bigger force of globalization, changing cross-border mobility of goods and services, and capital flows

Globalization itself is evolving, with changes in global trade flows, capital flows, and the Fourth Industrial Revolution. This has huge implications for India's future. How well placed is India to benefit from the new face of globalization? Trade flows have attracted more attention than capital flows and technological changes as drivers of globalization.

But the new technology is changing the global composition of trade flows. Trade in services are now increasing at a much faster pace than trade in goods. The cost differential in the production of services across the world is still enormous. The cost differential in traded services is much greater than in trade in goods. In the past, the only means to narrow such cost differentials was migration. However, global international migration has not increased but instead remained steady at about 3% for decades.

Technology has enabled services to be digitized and transported long distances at low costs without compromising on quality. The internet has enabled firms to sell services without crossing national borders, and dramatically increased the size and the scope for exploiting cost differentials in services compared to trade in goods. India's trade characteristics are well aligned with the new face of globalization. Unlike China, India's global trade has been spearheaded by exports of modern services. Global service trade also tends to be more resilient compared with the goods trade during global downturns. Overall, India is much better off today than before, thanks to the new face of globalization. But there are many challenges ahead.

Globalization of capital flows is also evolving with huge implications for macroeconomic management and growth. Some capital flow tends to be more volatile than others. Remittances, which tend to be more resilient, have been the dominant form of capital inflow into India. They have often exceeded foreign direct investment and other capital inflows in the past (see Rahul Anand and Ejaz Ghani, How will changes in globalization impact growth in South Asia, World Bank).

But given that global migration trends are not increasing, remittances are not enough, and new policy instruments are needed to attract more long-term capital inflows to invest in India's human and physical infrastructure. Many long-term investors, such as pension funds and insurance companies, which are ideally suited for human and physical infrastructure investments, see India as an important investment destination.

There is increasing interest from global investors in solar power, water management, waste management, affordable housing and much more. Policy makers have many options to attract more remittances inflows, issue non-resident Indian (NRI) bonds, and attract NRI investors from countries with which India has a double-taxation agreement. There is also increasing interest, both from philanthropic and private foundations, in promoting public private partnerships and maximizing finance for welfare development.

Technology has become a bigger force of globalization, changing cross-border mobility of goods and services, and capital flows. New technological revolution has huge spillovers and externalities.

Data and information technology is now the lifeblood of the global economy, fuelling ideas for new products and services, and advancing the transnational flow of trade, capital, and ideas. There are at least three times as many connected devices in the world today as there are people. The cross-border flow of digital information—searches, transactions, communications—has increased five-fold since 1990.

The shift in value from physical to digital information services will only increase. The new era of innovation, in which cutting-edge technologies are replacing old production methods has impacted everybody. Latecomers to development, like India, face a bigger challenge compared to the US and UK, on how to capitalize on their comparative advantage, benefit from new technology, and create more jobs.

This is where the policy challenges come in. While investment in physical infrastructure has attracted the attention of policy makers in the past, investment in building human infrastructure has become even more important (see Ejaz Ghani, Reshaping Tomorrow, World Bank). Given India’s young population, and to benefit from its demographic dividend, India needs to dramatically scale up investments in human infrastructure. India’s demographic dividend suggests that 7-10 million people will join the labour force every year.

But less than 4 million receive skill training. Early learning and stimulation interventions for children under three are virtually non-existent. Less than 17% of government schools provide one or two years of pre-primary education. Less than 15% of rural children in grade 2 can read at the expected level. Technological change has one key message: invest in people—through education, health, nutrition, social protection, and skills. Human development is the sturdiest way forward. If workers are to stay competitive against machines they need to be able to learn new skills and be better trained from the start.

India faces a dual challenge—demographic dividend and rapid technological change. Technological progress is placing a higher premium on skills, and any failure of countries to lay the groundwork for their citizens to lead productive lives will not only carry high cost, it will also generate more inequality and conflict.

In most countries, children born to more affluent parents start having access to better opportunities early in life, and these lead to lifelong advantages, whereas children born to poorer parents miss out on these opportunities. If policy makers make more effort to make early childhood development programmes universal, income inequality would fall.

Technology is now the largest sector of the world economy, eclipsing even financial services, and includes five of the top 20 public companies by market capitalization. Spillovers and externalities associated with the Fourth Industrial Revolution are global in nature and call for global coordination as well as national level interventions.

Late comers to developments can better manage trade-offs between economic growth and environmental degradation, thanks to technological progress that can increase both economic growth and better management of resource. Scaling up investments in human capital to promote growth and prevent digital divide is an easy call for the policy makers.

Source: livemint.com- Oct 23, 2018

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Japan to focus on regional pact, digital tech, investments during Modi's visit

Large Indian business delegation to discuss investment opportunities, tie-ups with Japanese counterparts

Japanese Prime Minister Shinzo Abe is likely to make a case for a speedy conclusion of the Regional Comprehensive Economic Cooperation (RCEP) — the ambitious trade pact being negotiated by sixteen nations including India and Japan -- during Prime Minister Narendra Modi's visit later this month.

Cooperation in the area of digital technology and promoting investments will also be high on the agenda, apart from defence and connectivity, according to officials close to the matter.

“Japan is very keen that the RCEP is concluded soon and important decisions are taken at the RCEP Summit next month to be attended by heads of states of the sixteen member countries. The issue is a part of the Japanese PM’s agenda for his talks with Modi,” a government official told BusinessLine.

Modi, who is on his third official visit to Japan since 2014, will be in Tokyo on October 28-29. A large business delegation of about 70 participants, which includes a number of IT companies including representatives from IT-body NASSCOM, is likely to accompany the PM.

New Delhi does not want to take on any commitments for RCEP—which includes the ten-member ASEAN, China, India, Japan, South Korea, Australia and New Zealand—before the general elections next year, but other members are keen that a ‘package of deliverables’ is agreed to by the end of 2018. “Modi will have to make it clear to Abe that India expects a better deal in services before it can give commitments in other areas of the RCEP pact,” a Commerce Ministry official said.

Promoting two-way investments and inviting Indian cooperation in digital technology will be high on the agenda for Japan, the official said.

The Japan External Trade Organisation (JETRO) and Nikkei Inc are scheduled to organise two seminars—one each on investments and digitisation—where Modi is scheduled to participate. “Top Ministers from Japan and representatives from companies including Suzuki Motors and Nikkei Inc are scheduled to participate in the two seminars,” the first government official said.

Some MoUs to promote investments between the two countries would be signed during the visit, the official added. The two governments are also expected to announce two agreements on naval cooperation and a concrete infrastructure project to be implemented together in South Asia.

India exported goods worth $4.7 billion (1.56 per cent of total exports) to Japan in 2017-18 posting an increase of 23 per cent over the previous year. India’s imports from Japan were worth $11 billion posting a 11 per cent growth.

Source: thehindubusinessline.com- Oct 24, 2018

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Fate of Bill to overhaul major ports hangs in the balance

A much-awaited plan to convert 11 of the 12 Central government-owned ports that are currently run as 'trusts' into 'authorities' through a new law is now down to the wire.

A perception is also gaining ground that the government is "not serious" about the plan after taking the process almost to the finishing line.

The fate of the Major Port Authorities Bill — the biggest structural reform of the major ports in more than five decades and a show-piece initiative of the Narendra Modi government — hangs in the balance with only the winter session of Parliament offering a small window of opportunity to get it passed before the country goes to the polls to elect a new government in May next year.

Shipping Minister Nitin Gadkari gave a cryptic reply when BusinessLine asked him on the chances of the Bill getting approved by Parliament in the upcoming winter session. "Mujhe malum nahin (I don't know). It all depends on how the Lok Sabha and Rajya Sabha are going to function," he said on October 20 in Mumbai.

Opposition from unions

The influential port workers unions have been opposing the move arguing that the new law was "aimed at converting the port trusts into corporate bodies under the guise of the 'authorities' set-up by invoking various clauses written in the Bill and pave the way for the privatisation of major ports".

The government says it has no such agenda and the planned law was only meant to modernise the institutional structure of major port trusts by granting greater autonomy and flexibility and to professionalise their governance for speedier decision-making to help them compete with private ports.

The Bill was introduced in Parliament in 2016 and was referred to a standing committee which gave its recommendations in July last year. In February, the Cabinet approved some of the amendments suggested by the Parliamentary standing committee, which again failed to satisfy the aggrieved workers unions despite the government allowing two seats to labour unions on the board of each port authority from the earlier proposed one seat, to win them over to its side.

Currently, workers unions have two seats on the board of trustees of each port trust. The unions are now demanding that the Bill be scrapped.

The Bill was circulated among law makers in the monsoon session of Parliament but could not be taken up for discussion and voting because it was “low on priority with nine other Bills vying for the government’s attention”.

“We would like the Bill to get passed in December,” Shipping Secretary Gopal Krishna told this newspaper. “Hopefully, it will,” he quipped.

But, with the Opposition parties looking to pin the government down on a host of issues, including the controversial Rafale deal, to gain political mileage before the elections, the Winter Session is expected to be a wash out.

If the Bill misses the Winter Session it could spell trouble for the reform in case the 2019 polls throw up a different political combination to rule the nation.

Source: thehindubusinessline.com- Oct 24, 2018

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Cotton being lifted at more than MSP

The cotton business is doing well in Khammam, thanks to the falling value of the rupee against the dollar. Cotton exporters now prefer to buy cotton from India, China and Bangladesh.

Private traders in Khammam and elsewhere are receiving a number of orders from Gujarat and Maharashtra exporters. The price of cotton seeds per quintal has increased from Rs 1,500 to Rs 2,200 per quintal. Candy cotton (356 kg) price is Rs 47,000 against Rs 40,000 the previous year.

Interestingly, the Cotton Corporation of India has not commenced its lifting operations in the district. Private traders themselves have lifted 42,000 quintals cotton from farmers since October 1.

About 12,000 bags are coming to the market daily for the last one week and private traders are competing to lift these. The minimum support price of cotton declared by the Central government is Rs 5,450 per quintal. Traders are giving Rs 5,600 per quintal for good quality cotton.

When compared to the previous year, the present prices are quite impressive and farmers are happy. Cotton MSP in the previous year was Rs 4,320 per quintal and traders and the Cotton Corporation of India lifted the produce from farmers, paying from Rs 3000 to Rs 4,300 per quintal.

As per the Central government estimate, the production of cotton in the present year is expected to come down due to drought, pest and cyclones.

Officials predicted 3.30 crore bales of cotton production against the 3.70 crore bales expected. G Srinivasa Rao, cotton buyer said that they had received orders from the traders of Gujarat and abroad for cotton.

“Cotton production in the country is not at expected levels this year. Hence, the price is more than MSP,” he said.

Source: deccanchronicle.com- Oct 23, 2018

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Maharashtra drought: cotton farmers suffer loss

More than 4 million cotton farmers of Maharashtra are in distress and agitated due to crop failure in 4.4 million hectares of land. The drought-like situation in the state has hit farmers hard.

According to Kishor Tiwari, Chairman of Maharashtra Government appointed, Vasantrao Naik Sheti Swavalamban Mission, climate change, failure of Bt Cotton (Bollgard II varieties), very poor soil health and low moisture level has resulted in the lowest cotton crop.

"The average cotton yield will be 2 to 3 quintals this season as per the ground information in Vidarbha and Marathwada region resulting in huge financial losses to the tune of Rs.8000 crore," said Tiwari, the founder-President of Vidarbha Jan Andolan Samiti.

Tiwari, in a letter to Union Agriculture Minister Radha Mohan Singh, has requested for long term and short term intervention in the prevailing cotton crisis.

He said farmers suffered total loss during the cotton season of October 2017-March 2018 because of used BT (Bollgard II varieties) of cotton seeds supplied by various companies.

Source: deccanherald.com- Oct 23, 2018

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Handmade Rajasthani dresses to be showcased in US, Canada

The rising popularity of handmade Rajasthani dresses have fetched them a market in the US and Canada and will be showcased there, global fashion leader Peter Nygard said on Tuesday.

"The handmade Rajasthani dresses are in huge demand in America and Canada. The exquisite handmade work done by artisans here is being praised by one and all in North America and hence I am keen to showcase this grandeur of artistry in the markets out there," said Nygard, Founder and Chairman, Nygard International, a company known for creating many firsts in the global fashion industry.

He was here in the pink city as part of an agreement signed with the Art and Craft Exclusives, a Jaipur-based garment export house which has a global footprint. According to the agreement, Nygard International will supply dresses made with Rajasthani artwork by Art and Craft Exclusives in the Canadian market, said Anil Sharma, Director, Art and Craft Exclusives.

Due to a rise in demand for traditional Indian works, the employment opportunities for village artisans have improved, he said. The visit of the fashion entrepreneur will project Jaipur more prominently on the international map, Sharma said.

Source: indianewengland.com- Oct 23, 2018

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