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IBTEX No. 40 of 2020 February 25, 2020

US 71.87| EUR 78.06 | GBP 93.01| JPY 0.64

Cotton Market (Feb 13, 2020)		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
18900	39500	**70.40**
Domestic Futures Price (Ex. Warehouse Rajkot), February		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
19520	40797	**72.71**
International Futures Price		
NY ICE USD Cents/lb (March 2020)	69.24	
ZCE Cotton: Yuan/MT (May 2020)	13,025	
ZCE Cotton: USD Cents/lb	84.74	
Cotlook A Index – Physical	**77.20**	

Cotton Guide- The Financial and the Commodity markets are slightly positive. The reason attributed to this is positive news coming in from China that the number of newly infected Coronavirus victims has declined during the last 3 days. The Dow Jones Industrial Average is High, WTI Crude Oil Prices have moved north by around 1.5 $ per Barrel and Cotton consequently followed the positive news thus registering positive gains.

The market seems to follow the current short term happenings. However, we continue to remain biased towards the bearish to sideways trend. The reason why we give a consolidated stance is –there is news that the vaccination will take almost a year to be developed with proper scientific research. Currently the Corona virus which is now named

COVID-19 is being contained by various measures and not eradicated. This implies that a threat of it becoming a pandemic still looms at large.

While speaking about the ICE futures contracts, we need to make an important note that the volumes and open interest have now shifted from the ICE March contract to the ICE May contract. ICE March contract grabbed 24,948 contracts as volumes and 48,453 contracts as Open Interest whereas the ICE May contract grabbed 27,784 contracts as volumes and 94,817 contracts as Open Interest. The ICE March contract settled at 68.58 cents per pound with a change of +35 points whereas the ICE May contract settled at 69.24 cents per pound with a change of +50 points.

The MCX contracts on the other hand remained consolidated yesterday; we expect the same trend to continue. The MCX February contract settled at 19,170 Rs per Bale with a change of +10 Rs. The MCX March contract settled at 19,430 Rs per Bale with a change of -10 Rs. The volumes were double as compared to the previous figure; they were registered at 1413 lots.

The Cotlook Index A has been kept unchanged at 77.20 cents per pound. While speaking about the average prices of Shankar 6, it is available to exchange hands at 39,500 Rs per Candy. Punjab J-34 is quoted at 4,040 per maund. Arrivals of Cotton in India is still above the 2 lakh Bales mark.

On the fundamental front we expect prices to remain consolidated for both ICE and MCX. On the technical front, in daily chart, ICE Cotton May is moving towards the higher band of the downward sloping channel, which coincides with the lower bound of the rising channel near 69.90. Cotton m ay future has crucial resistance near 70(38.2% Fibonacci retracement level), where price would look to complete a pullback before it resumes it bearish bias. Meanwhile price is moving around the 5 & 9 day EMA at 68.93, 68.92, along with RSI at 48 suggesting for the sideways bias in the market. However, the next support for the price would be 68.01 recent low & 66.82 (76.4% Fibonacci retracement level) & the immediate resistance is around 69.90, which is 38.2% Fibonacci retracement level. Thus for the day we expect price to hold the range of 68.00-69.90 with a sideways bias. In MCX Feb Cotton, we expect the price to trade within the range of 18900-19350 with a sideways bias.

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

NAFTA and the USMCA: Weighing the Impact of North American Trade

The North American Free Trade Agreement (NAFTA) is a three-country accord negotiated by the governments of Canada, Mexico, and the United States that entered into force in January 1994. NAFTA eliminated most tariffs on products traded between the three countries, with a major focus on liberalizing trade in agriculture, textiles, and automobile manufacturing. The deal also sought to protect intellectual property, establish dispute resolution mechanisms, and, through side agreements, implement labor and environmental safeguards.

NAFTA fundamentally reshaped North American economic relations, driving unprecedented integration between the developed economies of Canada and the United States and Mexico's developing one.

In the United States, NAFTA originally enjoyed bipartisan backing; it was negotiated by Republican President George H.W. Bush, passed by a Democratic-controlled Congress, and was implemented under Democratic President Bill Clinton. Regional trade tripled under the agreement, and cross-border investment among the three countries also grew significantly.

Yet NAFTA has remained a perennial target in the broader debate over free trade. President Donald J. Trump says it undermined U.S. jobs and manufacturing, and in December 2019, his administration completed an updated version of the pact with Canada and Mexico, now known as the U.S.-Mexico-Canada Agreement (USMCA). The USMCA has since won broad bipartisan support on Capitol Hill, and is expected to enter into force in 2020.

How does NAFTA fit into the broader debate over trade policy?

When negotiations for NAFTA began in 1991, the goal for all three countries was the integration of Mexico with the developed, high-wage economies of the United States and Canada. The hope was that freer trade would bring stronger and steadier economic growth to Mexico, by providing new jobs and opportunities for its growing workforce and discouraging illegal migration.

For the United States and Canada, Mexico was seen both as a promising market for exports and as a lower-cost investment location that could enhance the competitiveness of U.S. and Canadian companies.

The United States had already completed a free trade agreement (FTA) with Canada in 1988, but the addition of a less-developed country such as Mexico was unprecedented.

Opponents of NAFTA seized on the wage differentials with Mexico, which had a per capita income just 30 percent [PDF] that of the United States. U.S. presidential candidate Ross Perot argued in 1992 that trade liberalization would lead to a “giant sucking sound” of U.S. jobs fleeing across the border.

Supporters such as Presidents Bush and Clinton countered that the agreement would create hundreds of thousands of new jobs a year, while Mexican President Carlos Salinas de Gortari saw it as an opportunity to modernize the Mexican economy so that it would “export goods, not people.”

NAFTA also ushered in a new era of FTAs, which proliferated as the World Trade Organization’s (WTO) global trade talks stagnated, and it pioneered the incorporation of labor and environmental provisions, which have become progressively more comprehensive [PDF] in subsequent FTAs.

The USMCA achieved stronger enforcement mechanisms for labor provisions than the original deal, leading the AFL-CIO, the largest collection of U.S. labor unions, to support the pact—a rare endorsement from a group that heavily criticized NAFTA.

Click here for more details

Source: cfr.org- Feb 24, 2020

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USA: Fundamentals Keep Cotton Trade Strong Despite Coronavirus Concerns

The dominant feature in the cotton market, as it is in all financial markets, remains concerns surrounding the coronavirus. Yet, cotton has shown signs of responding to the traditional fundamentals associated with the market.

The March, May and July contracts all closed higher on the week, as did the new crop December contract. Too, cotton held much stronger on the week than its commodity cousins soybeans and corn.

Exports continue to hold the market's attention as both sales and shipments remain on the pace needed if USDA projections are to be met. Most are concerned if the export objective of 16.5 million bales will be met. However, the pace is holding, although just barely.

Cotton prices attempted a rally on the week, and both the old crop July and new crop December did spend more than two days trading above 70 cents.

The market was able to poke its head above price resistance levels. While 70 cent daily closes were established on consecutive days, the market could not keep that level for the weekly close.

Nevertheless, both export sales/shipments, as well as thoughts about March delivery notices, kept prices hovering at the 70-cent mark. The market should continue to maintain its three cent 68.50 to 71.50 trading range, and I continue to expect an upward bias.

Delivery notices on March futures contract were issued after Friday's close, and all notices were stopped by Allenberg – an indication that the world is scrambling to find quality cotton. Thus, U.S. quality should command a premium, and that premium should expand as the winter and early spring months play out.

Too, this was reflected in that the expiring March contract was up over 150 points on the week. Additionally, it is a clear indication that Allenberg owns all or nearly all of the expiring long contracts in March. This should continue into the July contract.

The past month has been exceptional for U.S. cotton export sales and shipments as well. Net sales of upland on the week were 235,300 bales. Pima sales were 9,500 bales and marketing year 2020-21 sales were 141,200 bales – again, an exceptional week.

Primary buyers were Vietnam, Pakistan, Turkey, South Korea and Indonesia. Total shipments were 375,000 bales of upland and 10,200 bales of Pima. This was marginally short of the weekly average required to reach the USDA estimate for the year.

Strong sales to Pakistan have helped push U.S. total sales higher almost every week, and these weekly sales continue. China continues to be an active buyer each week, but some Chinese textile mills remain shuttered due to the coronavirus.

Additionally, of concern is that mills are advertising in an attempt to get new temporary employees to come work in shuttered mills located in the virus afflicted areas.

These mills remain closed, and there is growing concern by those mills of losing export business. This is a further indication of the market uncertainty surrounding the virus and its potential impact on the world's cotton economy.

The trading range 68.50 to 70.50 cents will continue with attempts to move 100-200 points higher.

Source: cottongrower.com- Feb 23 2020

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Myanmar Garment Factories on the Brink of Closure as Coronavirus Cuts Raw Material Supply

Some points along the supply chain in China may be inching back into partial operation as they face the disruptive reality of the coronavirus outbreak, but the halt on raw material production is putting other countries' garment manufacturers at risk.

Myanmar, for one, may be facing a shutdown of its garment factories because the country has been unable to get the necessary supplies to make the clothing.

"We have problems as 90 percent of raw materials come from China," Myanmar garment manufacturer U Myint Soe told local newspaper The Irrawaddy Wednesday. "We are waiting for the day when the Chinese side will resume operations."

Already, most of the garment factories there have ceased running overtime as the stock on hand shrinks, and few are still operating on weekends as is typically the case when business is good.

"As a first step, the working hours are being reduced. Next, there will be redundancies. And then the factories will have to close temporarily," Soe said. "If the situation doesn't improve, there will be permanent shutdowns."

The auto parts industry has been dealing with the bleak reality of an inputs shortage for weeks as the main output in Wuhan—where the coronavirus was first discovered—is parts for vehicles. Major car makers, like Toyota, Tesla and Ford, have frozen production in certain China facilities. Hyundai shuttered production within China as well as in its South Korea facilities because of its struggle to obtain critical components.

This, however, is among the first mentions of potential widespread garment factory closures as a result of limited raw materials.

While the Myanmar Garment Manufacturers Association (MGMA) has been meeting to work on contingency plans, solutions so far have been few, and factory stocks won't replenish without a quick fix.

"Some still have stocks and others have already run out," MGMA's U Khin Maung Oo told The Irrawaddy. "It appears that those who still have stocks will not survive through March. Factories which have run out of stocks will have to close."

For the year ended December 2019, Myanmar's total apparel exports to the United States amounted to $399 million worth of goods, a sizable 72 percent uptick year over year as the country saw more U.S. brands return to sourcing there after years of trade sanctions. Still, garments from the country make up less than a 1 percent share of total U.S. apparel imports.

Source: sourcingjournal.com- Feb 19, 2020

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ICE cotton falls on spike in virus cases

The USDA on Thursday projected US cotton plantings at 12.5 million acres in 2020.

Cotton futures dipped on Friday as a spike in new coronavirus cases intensified fears that the epidemic will hurt the global economy and in turn demand for the natural fiber.

Cotton contracts for May settled down 0.37 cent, or 0.5 per cent, at 69 cents per lb. It traded within a range of 68.45 to 69.36 cents a lb. The USDA on Thursday projected US cotton plantings at 12.5 million acres in 2020.

"Certainly the longer it goes on the more impact it will have (on cotton)," said Sid Love, commodity trading adviser at Sid Love Consulting.

Source: economictimes.com-Feb 24, 2020

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Tough for Vietnamese firms to follow EVFTA rules of origin

Though Vietnamese textile and garment firms are aware of the opportunities the European Union (EU)-Vietnam Free Trade Agreement (EVFTA) offers to expand export markets, they are facing difficulties in complying with the rules of origin. Though the ministry of planning and investment hopes the sector's export turnover to the EU will increase by 81 per cent, firms are sceptical.

The scepticism arises out of the fact that 60 per cent of imported fabrics come from mainland China and Taiwan at a far lower cost than those from South Korea, fabric imports from where are permitted under the EVFTA rules of origin, according to a report in a Vietnamese investment news portal.

One such is Song Hong Garment JSC, which said the company cannot meet this requirement, and therefore, will not be able to tap into the benefits of the FTA. Additionally, the company does not expect to suffer from this decision as its priority market has been the United States for years.

Other garment and textile producers also expressed intentions to focus on their traditional markets due to the low cost of materials from China. Even when the delays in supply from China due to coronavirus pushed them to look for raw material imports from other markets like South Korea, India, Bangladesh, and Brazil, many saw this as nothing more than a temporary solution.

Pham Xuan Hong, chairman of the Ho Chi Minh City Textile Association, said China simply cannot be replaced as the main supplier due to its much lower costs, while Truong Van Cam, vice chairman and general secretary of the Vietnam Textile and Apparel Association (VITAS), said that a significant portion of the textile industry's feedstock is from China.

But the EVFTA opens opportunities for businesses with material autonomy as well as those with large EU groups of customers, such as TNG Investment and Trading JSC (TNG) and Thanh Cong Textile Garment-Investment-Trading JSC (TCM).

Source: fibre2fashion.com-Feb 25, 2020

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For many Asians, the phase one deal is just a "ceasefire" in US-China trade war

Heimtextil trade fair illustrates complexities of phase one deal on global trade...and then there's the coronavirus epidemic.

At the Heimtextil trade show held in January in Frankfurt – this is the world's biggest trade fair for the home-textile industry - Asians were saying that the phase one deal signed by the U.S. and China in Washington on January 15, was not a "settlement" of the trade war but a mere "ceasefire".

Contingents of Asian exhibitors descended upon Frankfurt; the biggest contingents came from China (561), followed by India (404), Turkey (304), Germany (287), Pakistan (230), Italy (178), Spain (112), France (87), the U.K. (78), etc.

"The first phase deal provides some respite in the 'firing' between them (U.S. and China), but I can't predict where this will eventually lead to," observed a Taiwan-based home-textile manufacturer who insisted on remaining anonymous because of "business sensitivities".

Olaf Schmidt, the vice president (textiles/textile technology) of Messe Frankfurt which organizes prestigious trade shows, including the Heimtextil, Texworld, etc., is a highly-respected expert on global textile trade; he said that the business community needed certainty to plan its future business.

"Long-term planning is essential for good business ... be it in the U.S., Europe or Asia," Schmidt said.

Schmidt's views were also echoed by Chinese businesspeople in New York. In a recent interview with the American Journal of Transportation at New York's Texworld trade show, Zhang Tao, the secretary general of the Beijing-based China's Sub-Council of Textile Industry (CCPIT), acknowledged that 2019 had been a very challenging year for the industry because of the trade war and its impact on textile (fabrics, apparel, etc.) exports to the U.S.

"The U.S. is the world's second biggest market, after the combined European Union market, for our textile exports," Tao said. "The interesting thing is the shift in the apparel and fabric volumes exported to the U.S. Apparel and finished product exports were higher than fabrics, despite the fact that tariffs on apparel and finished product shipments to the U.S. were higher," he noted.

China's total global textile exports in 2019 amounted to $ 268 billion; of this, the U.S. imported some $ 40 billion.

Speaking on the phase one deal between the U.S. and China, Tao said that each side would thus gain time to grapple with the situation. However, he emphasized that the business community wants certainty to make long-term planning for the business. The U.S. Fashion Association has also emphasized the importance of providing certainty to businesses. The Chinese have been talking to several U.S. trade associations to represent their case to the U.S. authorities.

US Investment Outflow From China

Tao also touched on the question of U.S. investment outflow from China. He said that wages in China had been rising for years. "However, U.S. investments in China will stabilize once the U.S.-China agreement is finalized and on track. The U.S.-China economies will not decouple even though there may be disagreements between the two sides," Tao predicted.

Uncertainty has also been plaguing Chinese suppliers, with many looking at possibilities to set up operations in a number of African countries, particularly Kenya, Ethiopia, Nigeria, Mauritius, etc. which enjoy duty-free exports to the U.S., thanks to the African Growth and Opportunity Act, (AGOA), a piece of legislation approved by the U.S. Congress in May 2000 with the purpose of helping sub-Saharan economies improve their economic relations with the U.S. After completing its initial 15-year period of validity, the AGOA legislation was extended on June 29, 2015 by a further 10 years, to 2025.

Tao said that Africa itself was becoming an attractive market and its potential could be tapped as further development gets under way in that continent. "But many Chinese companies are also looking inwards. China itself is an attractive market with a high-spending middle-class. Chinese companies are also building their own brands … perhaps, in 15 or 20 years, Chinese brands will be as renowned as, for example, Italian brands," he said.

China also buys large quantities of cotton from the U.S. for textile manufacturing. “The quality of U.S. cotton is superior … China has pledged to purchase more cotton from the U.S. as part of the phase one deal,” Tao observed.

Meanwhile, China announced it was halving effective February 14 additional tariffs levied against 1,717 products imported from the U.S. last year. Though China’s finance ministry did not specify which imported products would have reduced tariffs, some U.S. analysts expect these could likely apply to U.S. shipments of soybeans, crude oil, etc.; China has pledged to increase imports from the U.S. by some $200 billion in the next two years in return for the U.S. withdrawing some tariffs on Chinese shipments.

Coronavirus

Adding to China’s woes is the outbreak of the dreaded coronavirus which has spooked international businesses. As of writing this piece, over 1,000 people had died and over 40,000 infected in China; the death-toll keeps rising.

Many foreign nationals having business dealings with China have been avoiding or curbing their direct contacts with Chinese out of fear of getting infected. The delay in restarting production and distribution of goods could create a cash-flow problem for the smaller companies which have limited survival capability. Freight costs on shipments to and from China have risen sharply due to lack of flights.

Visiting Chinese businesspeople in New York, preferring to remain anonymous, said that some international retailers had closed their outlets in China, including big names such as Ikea, Starbucks, etc.

The coronavirus has hit China far more severely than the 2003 SARS crisis. Given China’s crucial role in international supply chains, this could cause disruptions ahead. Foreign automobile manufacturers have either closed or reduced their production because of distribution problems of China-made parts. Industries such as mobile phones and computers, may also be affected.

China may also possibly redefine its development priorities, weighing between its domestic and international commitments.

Doubts are also being expressed about the future of China's much-touted Belt-and-Road-Initiative, following depleting cash reserves hit by slower economic growth in course of the U.S.-China trade war.

Source: ajot.com-Feb 24, 2020

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GMAC urges EU to restore full EBA rights for Cambodia

Expressing disappointment over the recent European Union (EU) decision to partially suspend the 'Everything But Arms' (EBA) trade programme for Cambodia, the Garment Manufacturers Association of Cambodia (GMAC) recently urged the European Commission (EC) to reinstate the country's full EBA rights. The decision will especially affect women workers, it said.

"We urge the EC and members of the European Parliament to reconsider their decision by taking into account the values and goals that the programme was based on when it was put in place nearly 20 years ago: development assistance, poverty reduction and the dignity of employment," a statement by GMAC said.

GMAC noted employment in the garment sectors supported by EBA trade preferences exceeds 750,000 and this has lifted millions of Cambodians out of poverty.

"We urge the EU to act quickly to restore full EBA benefits for our sectors for the sake of sustainable development and for the hundreds of thousands of Cambodians who have risen from poverty," the statement released to a Cambodian newspaper added.

Source: fibre2fashion.com-Feb 24, 2020

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Kingdom-China FTA expected by November

The Cambodia-China Free Trade Agreement is expected to be finalised in November in a move to boost trade between the two countries.

During bilateral talks on January 20-23 last year in Beijing, China, Prime Minister Hun Sen and his Chinese counterpart Li Keqiang greenlighted a feasibility study on the potential free trade agreement (FTA) which aims to boost bilateral trade to $10 billion by 2023.

The first round of negotiations was held in Beijing on January 20-21 and was presided by Ministry of Commerce secretary of state Sok Sopheak and Assistant Minister of Commerce of the People's Republic of China Ren Hongbin.

Hun Sen on Monday encouraged all stakeholders to increase production capacity and expand products in order to boost exports to China before the FTA materialises.

"We expect the Cambodia-China Free Trade Agreement to be finalised in November this year. It will be signed during the presence of the Chinese prime minister at the Asean-Europe Summit in November. Then it will be implemented," he said.

"Before the agreement is finalised, we have to enhance and expand our products for export to the market. We hope that China will help to expedite our economic growth by putting in more investment."

Late last month, Garment Manufacturers Association in Cambodia deputy secretary-general Kaing Monika said the moves towards an FTA come at a crucial time for the Kingdom.

"I think it's the right direction and the right time for Cambodia to start looking at negotiating FTAs with various countries and blocs.

"Cambodia is expected to graduate from the UN's Least Developed Countries status in the next five to six years, after which we will lose the trade preferences provided to us by many developed countries," Monika said.

He noted that the Kingdom participates in a very limited number of FTAs, which are all under Asean as a bloc. “We need to target more bilateral FTAs, and China is indeed our greatest potential partner.

“This is a market of more than one billion people and the world’s number one economy in terms of purchasing power parity,” he said.

Source: phnompenhpost.com-Feb 25, 2020

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Bangladesh RMG timeline

Low-cost labor resources, competitive prices and high-quality products have helped the industry be a major player in the global scene

The readymade garments industry has been the industrial pillar of Bangladesh for decades.

Low-cost labor resources, competitive prices and high-quality products have helped the industry be a major player in the global scene during which it has had to overcome hurdles & challenges that raised from the phasing out of the MFA quota, the Trans-Pacific Partnership (TPP) and introduction of the Accord and Alliance.

The RMG industry is now, again, on the brink of some major shift as the RSC replaces the Accord and the preferential trade benefits from Generalized System of Preferences (GSP) wears off as Bangladesh graduates to a middle-income country.

Source: dhakatribune.com-Feb 25, 2020

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FTA to boost Vietnam's exports to the EU

Vietnam's textile and garment export turnover to the EU is expected to increase by 81 per cent following the free trade agreement.

Enterprises are expected to enjoy plenty of room to expand into new markets due to the regulations setting out tax reductions.

Most notably, in the context of unpredictable global developments such as trade protectionism, trade tensions, and the ongoing impact of the Coronavirus, the trade deal could help Vietnamese garment and textile firms boost their exports, diversify markets, and achieve higher value add through the establishment of fresh supply chains.

However, rules of origin are a barrier. In order to qualify for tariff exemption under the free trade agreement, companies will need to increase localisation of fabrics because the rules of origin are applicable from the fabric stage onward.

But for Vietnamese companies, China cannot be replaced as the main supplier due to its much lower costs. A significant portion of the textile industry's feedstock is from China.

Even when the delays in supply from China due to the coronavirus pushed them to look for raw material imports from other markets such as South Korea, India, Bangladesh, and Brazil, many saw this as nothing more than a temporary solution.

Source: fashionatingworld.com-Feb 24, 2020

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Philippines aims to increase garments exports to EU

Philippine trade department's export marketing bureau (EMB) plans to request the European Union (EU) to allow garment exports under its preferential trade scheme. Under the Generalised Scheme of Preferences (GSP+), up to 6,274 Philippine products can enjoy zero-tariff entry to the EU as long as the product originates from the Philippines.

A recent GSP+ monitoring report showed that the Philippines slowly increased its use of GSP+ preferences to 26 per cent of its total exports to the EU in 2018. In comparison, Bangladesh led GSP+ beneficiaries by placing 96.4 percent of its exports to the EU under GSP+, followed by Cambodia at 94.9 per cent.

The Philippines' use of GSP+ compared with all eligible exports was 73.1 per cent. While this move will not make up for the remaining 26.9 per cent utilisation, the "principle" will bode well for other exports.

EMB, in partnership with the Bureau of Customs, will also conduct roadshows to Region 3, Region 4A, Cebu, Davao, and General Santos City throughout 2020 to promote self-certification of origin among exporters.

Source: fashionatingworld.com-Feb 24, 2020

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Nigeria Looks to Jumpstart Textile Industry With New Garment Park

The Nigerian government has partnered with the Katsina state government to establish an Integrated Textile and Garment Park aimed at revitalizing the textile industry and boosting production of cotton in the country, according to the Nigerian Investment Promotion Commission (NIPC).

The park is expected to be completed within 24 months. Minister of State of the Federal Ministry of Industry, Trade and Investment, Ambassador Marriam Yalwaji Katagum, disclosed this when she led other management staff of the ministry on an advocacy visit to state deputy governor Alhaji Mannir Yakubu on Saturday, NIPC said.

The minister pointed out that the project would be a public-private partnership, adding that the federal government is committed to creating an enabling environment to attract more investment opportunities in the country. The Funtua Integrated Textile and Garment Park is one of the six priority projects under the Nigeria Industrial Revolution Plan of the federal government, she said.

“For this reason, the state government has made available quite the largest land and we had seen the facilities that are available on the land–power line, rail lines and the network of roads,” Katagum said. “We have also developed our work plan.” The permanent secretary of the ministry, Dr. Nasir Sani Gwarzo, said the industrial park, when established, would aggregate cotton from more than 800,000 farmers from northern Nigeria. Gwarzo noted that the country has spent more than $6 billion on imported textiles and garments “with almost no share in the highly lucrative export within global textile and garment markets.”

The U.S. imported virtually no textiles and apparel in 2019 from Nigeria, which is eligible for trade benefits under the African Growth & Opportunity Act, according to the Commerce Department’s Office of Textiles & Apparel.

Working toward being able to meet domestic needs, the federal government has inaugurated six special economic zones, with Lekki, Eyimba and Funtua as pilot sites to promote local production, Gwarzo said. “These special economic zones have been identified as the key tools for accelerating and implementing the Nigeria Industrial Revolution Plan in order to create jobs of great skills, promote exports and investment, as well as to diversify economy to boost sustainable and exclusive growth," Gwarzo said. "The government is therefore desirous of a strong public-private partnership arrangement in order to effectively execute the Funtua project. Our focus is to develop a world-class park within a period of 18 to 24 months."

Deputy Governor Alhaji Yakubu said the state government has approved 180 hectares of land for the initial project, promising to accord the federal government the needed support to execute the initiative.

Source: sourcingjournal.com-Feb 24, 2020

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High time for Pakistan, Turkey to boost trade

It is time for Pakistan and Turkey to boost bilateral trade and both the countries want to do this for their own reasons.

Turkey wants to export more to other countries to depend less on its existing main export markets ie Germany, the UK, the UAE, Iraq and the United States. Turkey is craving for stronger influence in the Middle East and if it continues to earn the bulk of export dollars from the US or US-influenced other four nations on the list that influence may remain elusive. Under the Pakistan Tehreek-e-Insaf (PTI) government, Pakistan is striving to rebalance its ties with China and the US. Islamabad's over-dependence on export markets under the US influence is making this rebalancing exercise difficult, hence the quest for newer and non-traditional markets.

Turkey is one of them and greater trade ties with the brotherly Muslim country may help Pakistan reduce its dependence on US-influenced countries. In due course, the Turkish leadership, after analysing the economic benefits, may also join in the China-Pakistan Economic Corridor.

Pakistan's traditional export markets include the US, China, the UK, Afghanistan, the UAE and Germany. For import sourcing too, Turkey and Pakistan are looking towards a larger number of countries. The purpose is to get rid of the politico-economic compulsions and complexities associated with heavy reliance on existing import sources – in Turkey's case China, Germany, Russia, the US and Italy and in Pakistan's case China, the UAE, Saudi Arabia, USA, Indonesia and Japan. So, it makes sense for Pakistan and Turkey to boost bilateral annual trade that has so far remained below $800 million.

During the recent visit of Turkish President Recep Tayyip Erdogan to Islamabad, the two countries signed some trade and investment deals and resolved to take bilateral trade to $5 billion a year. A huge trade potential exists between the two countries. But how soon they can achieve this stated goal depends on how efficiently the two can get over geopolitical hurdles in the way.

Turkey may have lesser problems but it would be a real big deal for Pakistan to ensure that its closer trade and investment ties with Ankara do not upset its relationship with three major trade allies – USA, Saudi Arabia and the UAE.

Structural challenges

Apart from geopolitics, structural issues of Pakistan's exports also pose challenges. Turkey manufactures lots of medium and high-end first-class industrial and consumer products. Pakistan does not. Naturally then, Pakistan will initially have to rely more on exports of food grains and food products, textiles and clothing, and, to some extent, surgical instruments and sports goods.

How successfully Pakistan can increase exports of these items to Turkey depends on how soon the country's food, textile and other export-oriented industries become more productive and how much and of what quality export surplus become available.

Much will also depend on whether the exporters have the ability to grab a larger market share of Turkey's imports amidst growing competition in global export markets. This requires an in-depth study by Pakistan government agencies, keeping in view, among other things, specific import requirements of Turkey.

According to the Turkish Statistical Institute (TurkStats), the equivalent of Pakistan Bureau of Statistics, Pakistan's exports to Turkey in CY18 mainly comprised cotton, textiles and food grains including rice. Its export earnings totalled $330 million, down from $352 million a year ago.

Pakistan's imports from there included minerals and mineral fuels plus machinery and electronic devices and the import bill totalled $462 million. Thus, in the bilateral trade of $792 million, Pakistan booked a trade deficit of $132 million.

In Jan-Mar 2019, this trend continued and we booked a trade deficit of $44 million with Turkey. Data reported by TurkStats show that Pakistan's imports from Turkey totalled $112 million and exports $68 million.

Pakistan started registering bilateral trade deficit with Turkey from CY16 primarily due to greater imports of machinery and electronics. In preceding years, Islamabad rather had a trade surplus with Istanbul. If bilateral trade grows on the recent pattern ie Pakistan exports more to Turkey but, at the same time, its imports from there also increase in line with the trend, the trade deficit will only enlarge.

While enhancing bilateral trade, Pakistan will have to strive hard to reverse this trend. That cannot be done unless Islamabad exports to Turkish markets more of the sophisticated consumer goods like handicrafts and branded food items that are acceptable there and more intermediary goods like high-quality tanned leather that Turkish industries can use for producing high-end products for their own as well as for foreign markets.

For a country like Pakistan, sustaining an ever-widening trade deficit in bilateral trade with Turkey is not advisable. Pakistan already runs a very large deficit with China and quite sizable deficits with Saudi Arabia, the UAE, Japan and Indonesia.

Its export sector is currently braving lots of odds including very high costs of energy, finance and other inputs and also suffers from low productivity. Closing bilateral trade gaps is not possible just by trying to contain imports because recent experience shows that also tends to decelerate the country's own industrial growth. The only option is to boost exports.

So, if increased bilateral trade with Turkey means the nation will see the existing trade deficit with this country narrowing in the coming years that is good. We cannot afford to be otherwise.

Source: tribune.com.pk-Feb 24, 2020

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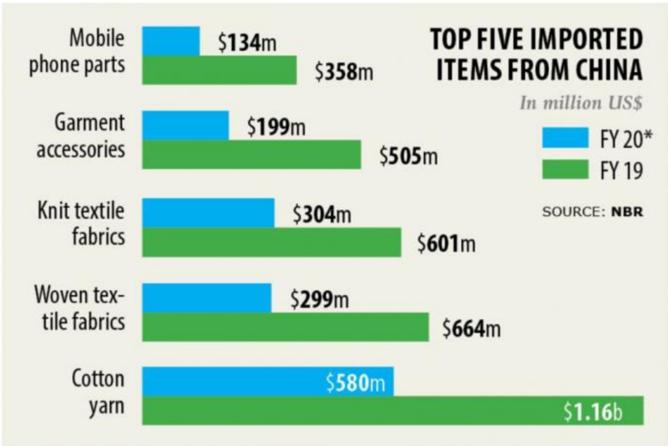
Bangladesh: Imports from China tumble 21pc for coronavirus

Imports from China slumped 21 per cent year-on-year in volume in the one and a half months to February 15 amid supply disruption caused by the coronavirus pandemic, official data showed.



Businesses imported 36 lakh tonnes of products in the first seven months of fiscal 2019-20, down 19 per cent from a year earlier, according to the National Board of Revenue (NBR).

In monetary terms, imports also declined this year compared with the same period a year ago, said the revenue administration in a report on the possible impact of the coronavirus outbreak in the world's second largest economy.

Bangladesh's main export earner apparel and textile industry is highly dependent on China for cotton yarn and fabrics, textile fabrics and garments accessories.

"Alternative sources should be actively considered to import the raw materials of garments if the coronavirus outbreak disrupts supply from China," the report said.

It also suggested considering alternative sources to import parts of mobile phones to support the budding mobile handset assembling sector.

China is the biggest trading partner of Bangladesh and the biggest source for imports. The world's second largest economy accounted for more than a fifth of the country's imports of $56 billion in fiscal 2018-19, Bangladesh Bank data showed.

The NBR report comes amid growing concerns among businesses about potential supply disruption of raw materials, intermediate goods and other materials brought about by the coronavirus outbreak in December last year.

The deadly disease has already claimed more than 2,500 lives.

The NBR report assessed the possible effects of the coronavirus pandemic on export and imports by taking seven top-ranked inbound and outbound items to and from China.

Cotton yarn and woven textile fabrics top the list of the items coming to Bangladesh from China, followed by woven textile fabrics, knit textile fabrics and garment accessories.

Bangladesh imported nearly $3 billion worth of the items in fiscal 2018-19 from China, the report said. These products are used as raw materials by the $34 billion garment industry, which represents 84 per cent of the national export receipts.

The import from China was 41 per cent of the total import of cotton, cotton yarn/thread and cotton fabrics valued at $7 billion in the last fiscal year, BB data showed.

Of the four products, yarn is used in textile mills to make fabrics, while woven fabrics are used to make garments.

Manufacturers brought in $1.2 billion worth of cotton yarn in fiscal 2018-19 and half of last year's total imports already reached Bangladesh between the months of July last year and January this year, the report said.

In the seven months since July, businesses also imported half of the total woven textile and knit textile fabrics they had brought in in the last fiscal year.

The picture is also the same for garment accessory imports from China.

However, the import of mobile parts, which soared last year, may suffer as 27 per cent of last fiscal year's total imports amounting to $505 million came in the last seven months.

Bangladesh is importing ginger, garlic and cinnamon from Myanmar, Vietnam, Thailand, Indonesia and Egypt, lowering the possibility of supply shortfall of the essential cooking ingredients, the NBR said.

In case of exports, garment is the main item shipped to China, followed by jute and jute goods as well as fishes, including crab and eel.

China is increasingly emerging as an export market for Bangladesh and half of the main exportable items destined for the country were shipped in the July-January period, the NBR said.

"Given the trend, there is no big risk to exports to China," the NBR said.

Source: thedailystar.net-Feb 25, 2020

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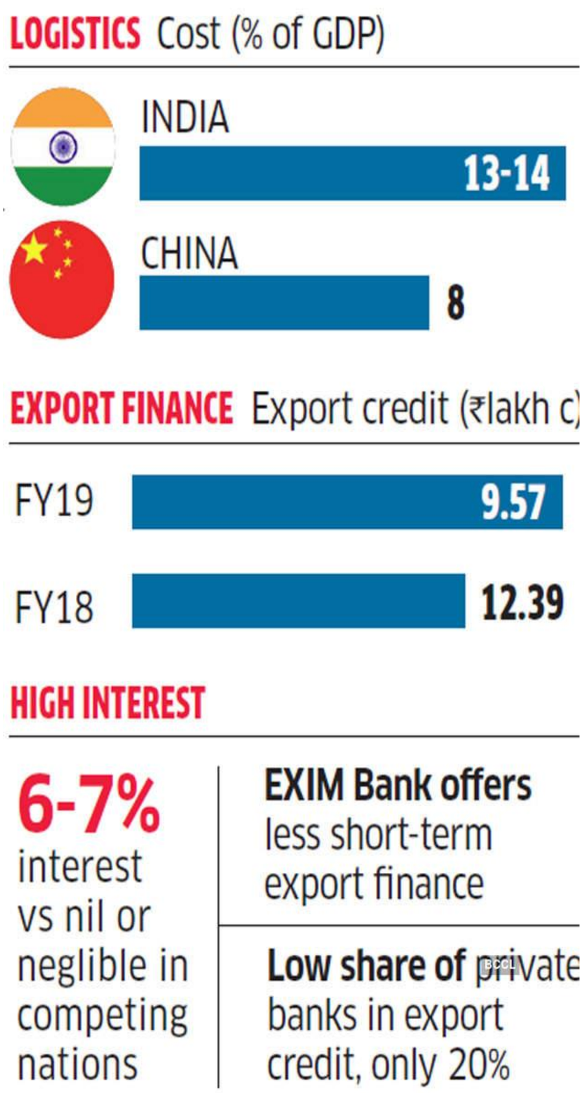
NATIONAL NEWS

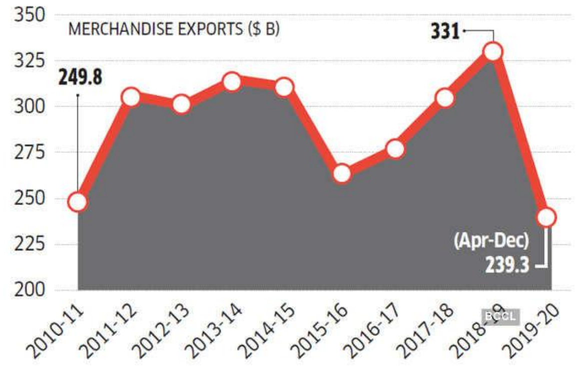
Competitiveness unchecked: The story of India's exports and factors impeding growth



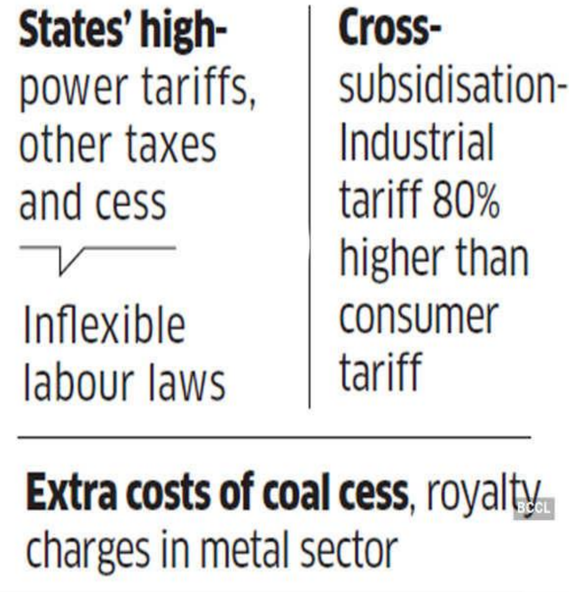
India's share in world exports has increased from 0.6% in 1991 to 1.7% in 2018 but remains paltry compared with China's 12.8%.

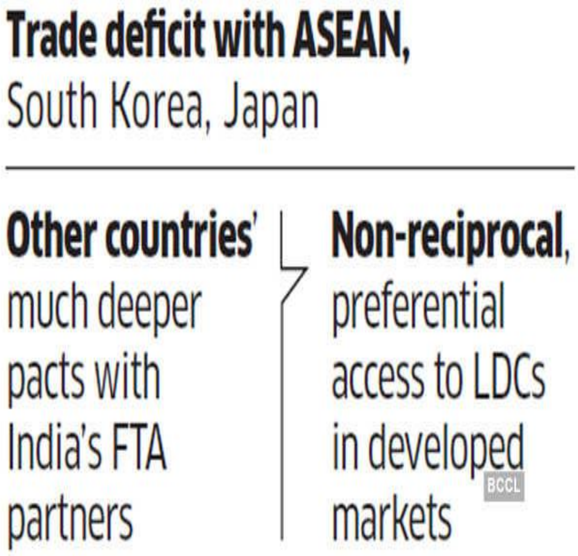
Moreover, the country's exports have hovered around $300 billion since 2011-12. Kirtika Suneja takes a look at India's exports and the factors impeding their growth.

HIGH COSTS

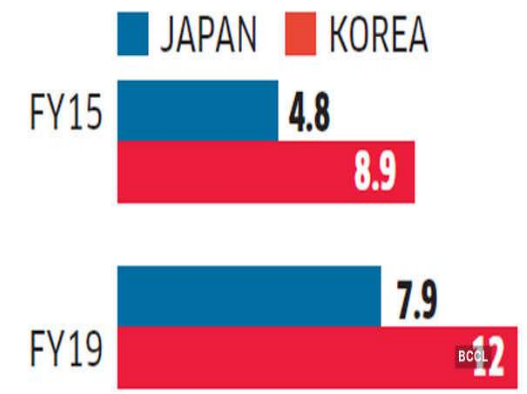


REGULATORY HURDLES LOPSIDED FTAs ADDED TO WOES





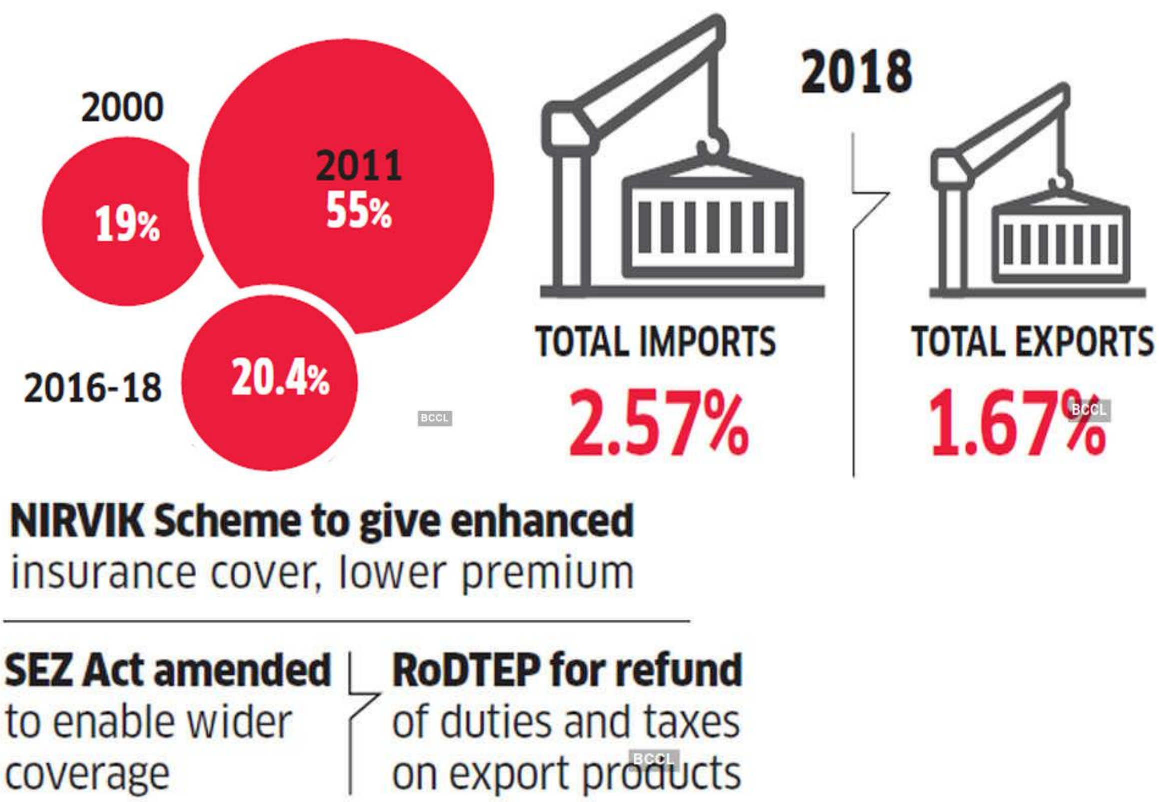
TRADE DEFICIT ($ BILLION)



INVERTED DUTY STRUCTURE

SHARE OF INDIA'S TRADE INTERNATIONAL TRADE IN GDP

INDIA'S SHARE IN WORLD'S TOTAL



POTENTIAL EXPORT DRIVERS

- Rice
- Oilcake, residue from soybean oil
- Insecticides and similar products
- Specified woven fabrics of cotton
- Semifinished products of iron or nonalloy steel
- Structures and parts such as bridges etc.
- Spark-ignition or internal combustion engines
- Certain motorcycles and cycles

Source: economictimes.com- Feb 22, 2020

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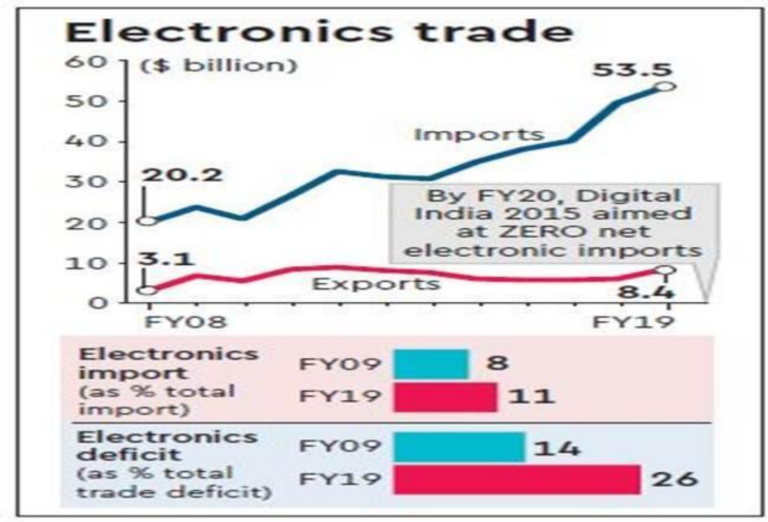
Don't lose the China chance again

Given the 1.7% fall in India's April-January exports—this means exports grew a mere 0.5% per annum in the six years since Narendra Modi came to power — Union commerce minister Piyush Goyal's talk over whether the Service Exports Incentive Scheme (SEIS) should be withdrawn sounds counter-intuitive; why reduce incentives when this can also reduce exports?

But, given that the government doesn't have unlimited amounts of money to incentivise exports, it probably does make sense to spend the money where it has the greatest impact. A lot of the service exports that get SEIS benefits today are those made by big firms that will continue to export even without a 2-3% SEIS reimbursement. If, on the other hand as Goyal suggested, this money was spent to boost tourism, this would also generate a lot of jobs.



Similarly, in the case of textiles that are another big area of export opportunity, as the High-Level Advisory Group (HLAG) recommended, apart from implementing the technology upgradation scheme better—so as to improve the capabilities of Indian suppliers—the government must get the top 10 global textiles and clothing firms to set up large plants in India. Once the big producers are here, the exports will automatically take place.

In the case of electronics, where India's trade deficit is ballooning (see graphic)—at 26% of India's total trade deficit, electronics is second only to oil—the strategy has to be similar to that for textiles, to attract the biggest global players like Apple and Samsung to manufacture in India; over time, as happened when Suzuki bought Maruti from the government, exports will also start rising on their own.

Apple’s exports from China retail at $200 bn, so if this manufacturer is to come to India along with its main component suppliers, logically speaking, India will also become an export hub. The global smartphones export market is around $300 bn—60% of this is done out of China and 10% out of Vietnam—and 75% of this is shared by Apple, Samsung, Huawei, Oppo/Vivo and Xiaomi, so getting these biggies to manufacture in India is critical.

India began talking of wooing firms like Apple and Samsung 6-7 months ago when the then principal secretary to the prime minister asked secretaries to various ministries to draw up a plan to woo big manufacturers in China in the light of the increased US-China trade tensions; these firms were facing the possibility of their exports out of China being slapped with import duties when they were shipped for sale in the US.

Despite this, however, no decision got made and, meanwhile, the US and China managed to dial back on the trade war, reducing the urgency for firms to want to exit China. Samsung which had a large part of its production in Vietnam anyway, shut the last Chinese factory during this period; while Samsung also has a large facility in Noida in India, most of its production takes place in Vietnam.

The huge disruption in global trade and manufacturing in China thanks to the coronavirus has, once again, opened up an opportunity for India to try and woo global biggies; it is important to get it right this time. While India’s trade deficit was $133 bn in April-January FY20—it was $136 bn in FY14 and $184 bn in FY19—what is worrying is that the share of electronics in this has been consistently shooting up; it was 14% a decade ago in FY09, 17% just before Modi took oath in mid-2014 and is around 26% right now.

In absolute numbers, the electronics deficit shot up from $17 bn in FY09 to $45.1 bn in FY19. Compare this with the zero electronics deficit that Digital India 2015 had projected for FY20. Indeed, while India’s mobile phone exports were a mere $2.7 bn in FY19, the National Policy on Electronics 2019 projected these rising to $110 bn by 2025!

Interestingly, while the electronics deficit had been rising, it remained at around $23 bn in the few years before the Nokia phone factory shut following a dispute with the Indian tax authorities. At that point, smartphones were around 30% of electronics exports and this collapsed after Nokia shut operations despite the fact that, by then, India started its phased manufacturing programme (PMP) for mobile phones. While some will argue that India is better off continuing with its PMP—import duties are hiked to accelerate local production of various components—the continued rise in imports, and the poor export showing makes it clear this doesn't really help; large exports require genuine manufacturers, not mere assemblers.

A purely export-incentive-driven offering, say, 5% of the value of each phone exported may appear a good way to reduce the cost disadvantage of manufacturing in India as compared to either China or Vietnam, but this may not work as it could well turn out to be WTO-incompatible.

In which case, just ensure the likes of Samsung and Apple manufacture more in India, whether by way of greater tax incentives or free land or some other facility is for the government to decide; as the firms scale up and get more efficient, exports will follow.

Apart from manufacturing, with India also emerging as a global player in engineering R&D centres—SAP and IBM get 8-10% of their global patents from their centres in India—and firms like Qualcomm, Texas Instruments and Intel already doing some work on chip design here (bit.ly/2HFsc7J), there is also more scope to do value addition in India than in, say, a Vietnam.

Indeed, it was more R&D in India—after Suzuki bought out the government stake in Maruti—and involving Maruti engineers in its global projects that saw, over time, India becoming a small-car exporter.

Given India's sad history with missing several opportunities—when China vacated the lower-end of the textiles and clothing market, it was countries like Vietnam and Bangladesh that took advantage of this—it can't afford to miss out on the electronics opportunity; more so since Vietnam has already marched ahead by getting most of Samsung's operations.

Source: financialexpress.com- Feb 24, 2020

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Australia willing to consider bilateral FTA with India on the lines of RCEP

Australian Minister leads high-level delegation, holds talk with Piyush Goyal

Australia is willing to consider a bilateral free trade agreement with India on the lines of the proposed Regional Comprehensive Economic Partnership (RCEP) agreement, that New Delhi chose to exit in November last year, that would capture the work already done between the two countries while the negotiations were on, the country's Trade and Tourism Minister Simon Birmingham has said.

"Both India and Australia are willing to see if the work we have done bilaterally in relation to RCEP could be captured between the two countries. We have asked our officials to look at that," Birmingham said in a select media briefing on Tuesday. The Australian Minister met his Indian counterpart Piyush Goyal on Monday and discussed the future growth path in bilateral trade and investments which included a possible free trade agreement.

Birmingham, however, added that his country wanted India to be part of the 16-nation RCEP at some point of time. "We want India to ideally enter RCEP at some stage. We will continue to make sure we hold that door wide open to India and encourage all other RCEP nations to do so as well," he said.

India had decided to quit the RCEP, which also included the ten-member ASEAN, China, Japan, South Korea, Australia and New Zealand, as it involved a gradual elimination in import duties on almost all traded items and would have exposed Indian industry to some very strong competition especially from Chinese products.

Birmingham said the RCEP talks could provide a baseline for India and Australia to continue any future negotiations on trade and investment.

Business delegation

The Australian Minister is in India leading a delegation of over 100 Australian businesses as part of the Australia-India Business Exchange (AIB-X) — a multi-month program of Australian Government activities to generate business opportunities with India. In his four-day visit he will travel to Delhi, Mumbai and Bengaluru.

Birmingham said that he and Goyal also looked at market access issues. “We discussed the progress made in terms of Indian goods being able to enter Australian markets such as grapes, mangoes, pomegranates.

The importance of continued cooperation in both directions to provide regulatory approvals was also highlighted,” he said.

Australia has been making investments in a variety of sectors in India including infrastructure and the flow has significantly increased over the last few years, the Minister added. “We invited similar investment flows from India to Australia,” he said.

Australia-India trade has grown steeply over the last decade but it is skewed in Australia’s favour.

In 2018-19, India’s imports from the island-nation were valued at $13.3 billion while Australia’s imports from here were only at $3.52 billion resulting in a trade deficit of almost $10 billion.

Birmingham said that Australia’s export of coal to India, which the country required for its energy needs, was largely responsible for the deficit.

Source: thehindubusinessline.com- Feb 24, 2020

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Government to review cotton seed price

The industry has sought a 10 per cent increase in price because of rising input costs. Some manufacturers have sought pricing freedom. Last year, the government had fixed the price of Bt cotton seeds at Rs 730 per 450 gm package, which was 1.35 per cent lower than the previous year.

The agriculture ministry is likely to take a decision on revising the price of Bt cotton seeds, including the trait value (tech fee), by March to help farmers plan for the kharif planting season which starts in June.

The industry has sought a 10 per cent increase in price because of rising input costs. Some manufacturers have sought pricing freedom.

Last year, the government had fixed the price of Bt cotton seeds at Rs 730 per 450 gm package, which was 1.35 per cent lower than the previous year's, to bring in pricing parity across states.

India, the world's biggest cotton producer, grew cotton on 12,767,000 hectares in 2019-20, about 600,000 hectares more than the previous year. Mahyco Monsanto Biotech provided the bollgard technology to 45 cotton seed producers which included Rasi Seeds, Nuzivedu Seeds, Kaveri seeds, Bayer India and Mahyco, among others.

"We will be taking a decision on cotton seed prices after discussions with industry and farmer representatives. A meeting is expected in a fortnight with the stakeholders, post which the gazette notification will be issued," said an official of the agriculture ministry, adding that some seed manufacturers have made representations for higher price.

The ministry had issued the Cotton Seed Price (Control) Order, 2015, under the Essential Commodities Act, 1955. In 2016-17, Bt cotton seed prices were first lowered by a panel constituted by the Centre. Since then, except in 2017-18, prices have been reduced.

Both the National Seed Association of India (NSAI) and Federation of Seed Industry of India (FSII) have asked the government to raise cotton seed prices.

"Cotton seed price should go up by at least 5-10 per cent to reach Rs 770-800 per 450 gm pack. Cost of labour accounts for 60 per cent of the cost of seed production, and it has gone up in the recent past. We feel that there is a need to increase seed price to meet the higher cost of production," NSAI president M Prabhakar Rao told ET.

The hike in minimum support price of cotton has also led to rise in seed production, said Ram Kaundinya, director general, FSII. "Ideally, we want the price control order to be revoked as it has resulted in reduction in research investment by both biotech and seed companies. But if it continues, then seed prices should increase by 10 per cent to Rs 800-810 per 450 gm packet to offset the cost of seed production," said Kaundinya.

Source: economictimes.com- Feb 21, 2020

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China's textile market is ending due to Corona, cotton yarn may be cheaper

The Textile Ministry is going to bring a new textile policy soon to eliminate the dominance of China and Bangladesh from the country's textile market. In addition, under the policy, the production capacity of textile industry can be expanded at low cost.

A number of new measures will be taken to compete Indian textiles globally, including global branding of Indian clothing, use of high technology in production and the ability to deliver large orders on time. Apart from this, there is also talk of changes in labor rules for the textile industry. According to T. Rajkumar, chairman of the Confederation of Indian Textile Industry (Citi), the global brand retail stores in India have a large number of garments from China, Bangladesh and Sri Lanka.

In addition, he told that in a meeting chaired by Textile Minister Smriti Irani, the branded retail stores had said that there are no big garment manufacturers in India to meet their demands. At the same time, those branded retail stores said that due to low cost and huge supply at the same time, they import apparel from China, Bangladesh and Sri Lanka for their stores in India.

According to the ministry sources, the government wants India Become the global leader in the textile sector, so that not only India, but also retail sales of garments manufactured in India in retail stores around the world. Simultaneously, Sanjay Jain, MD, TT Textile, says, For the last one month, there has been a lot of discussion on textile policy under the leadership of Ravi Kapoor, Secretary, Textile Ministry. Several rounds of meetings have been held with various stakeholders.

According to Citi, the new policy can attract attractive rules to attract foreign direct investment (FDI) in the textile sector as well as joint venture projects. At the same time, the proposed mega textile park will also have a provision to facilitate the establishment of integrated units of every sector of textile such as yarn, fabric and garment simultaneously. Infrastructure facilities like water, electricity, technical support can also be taken care of for manufacturing at low cost.

Source: cottonyarnmarket.net- Feb 22, 2020

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Anti-dumping duty withdrawal on PTA breather for man-made textiles

The Union government's decision to withdraw the anti-dumping duty on purified terephthalic acid (PTA) would improve the affordability of man-made textiles, giving it an advantage over cotton.

With the abolition of the duty, the PTA spread of Rs 7-Rs 8 per kg (import landed price over domestic) will reduce over the near term, with landed PTA being cheaper by Rs 4-Rs 6 per kg.

This would lead to the prices of finished products falling by Rs 3- Rs 5 per kg, which would give a boost to demand, said India Ratings and Research (Ind-Ra), in its study.

In addition, the removal of the duty would lead to higher imports, thereby reducing supplier concentration and improving the bargaining power of downstream producers. Consequently, there would be an improvement in the profitability and credit metrics of sector companies, the study said.

However, the abolition of ADD would adversely impact the profitability of PTA players. There are only four suppliers of PTA in India — Reliance Industries (RIL), MCPI, Indian Oil Corporation (IOCL) and JBF Industries (JBF).

India had imposed ADD of $85-$160 per tonne in 2014, and had extended the same in 2016.

Source: financialexpress.com- Feb 25, 2020

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Strengthening US-India bilateral ties: Growth is not limited to IT companies or manufacturing sectors

The India-US economic engagement is a story of secular growth and mutual job creation. Growing at 10% on a year-to-year basis, bilateral trade reached $160 billion in 2019.

Two-way investment between India and the US reached $60 billion in 2018, with the creation of jobs by American companies in India and by Indian companies in the US—about 100 Indian companies have invested almost $18 billion in the US and created over 113,000 jobs. Other areas of collaborative contribution include R&D as well as CSR.

Both domestic and foreign investments have risen, there has been increased spending on creating infrastructure, and a steady rise in the demand for consumer durables along with a surge in air travel.

While there has been a recent slowdown of India's economic growth, the country offers investment opportunities for American companies to grow in India. In fact, India is a place where American companies can turn to as they divert supply chains from China.

For India, the US has been a large and strategic market. American businesses have taken note of India's rise in Ease of Doing Business ranking and structural reforms like GST. The converse is equally compelling. Of all foreign companies operating in India, US-based companies are the majority. India can make a difference to most companies' bottom lines, with its large reserves of talented human resources.

Growth is not limited to companies in IT or manufacturing sectors; several US-based companies have significant sales and field operations in India. More opportunities for job creation are on the way; defence and tourism are on top of the list.

To boost India's defence sector, India has finalised two deals worth $3.5 billion with the US, setting the stage for more bilateral progress.

The Make in India initiative provides impetus to greater defence cooperation between the two countries that can create defence manufacturing jobs—where the US can benefit from India's labour and cheaper components, and India can gain from American know-how and technical expertise.

The US-India bilateral relationship is also strengthened by tourism. With over 4 million people, Indians form the second largest group in the US, after China, and their contribution to tourism to India is significant.

Travel and tourism contributes substantially to India's GDP; in 2017, it was $234 billion, and has been projected to reach $492.2 billion in 2028.

The number of jobs created by the Indian tourism industry in the last four years has been 14.62 million, which is expected to double by 2027. Also, India climbed to the 10th position in arrivals in the US, as travel between the two countries went up 10.3% between 2018 and 2019.

In 2018, 1.4 million Indians visited the US, and it is expected 1.9 million Indians will visit the US in 2023.

Accordingly, direct air connectivity between the two has increased. Several US-based airlines have started offering non-stop daily flights to different destinations in India from the US.

Technology start-ups in India play a significant role in the growth of the tourism sector.

In addition to bringing in innovation in services offered by the tourism industry, start-ups are contributing in large measure towards personalising experiences, offering opportunities of technological partnership to US firms. Hospitality, too, is evolving and presents opportunities for both the countries.

The past decade has fared well for trade and investment between India and the US, and this pace will only increase. The potential of the Indo-US relationship is enormous both for commercial opportunities and strategic concerns.

A forward-looking trade agreement between the countries will facilitate further job creation in both the countries.

Source: financialexpress.com- Feb 25, 2020

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Centre to improve growth indicators in 115 districts: Amitabh Kant

Corporates need to lend a hand, too, says NITI Aayog CEO at Aranya Natural's meet on natural dyes. The Centre has identified 115 aspirational districts to improve their growth indicators in key areas, according to NITI Aayog CEO Amitabh Kant.

"If the country has to grow, we have to make improvements in our standards of education, health and nutrition. In this connection, our corporates also need to work together as an integral part of society," he said at the inaugural function of a two-day international conference, on 'Sustainability of Natural Dyes', organised here by Aranya Natural, Srishti Charitable Trust, supported by Tata Consumer Products Ltd.

Kant praised Aranya Natural's work in creating unique products from waste, which he said are innovative, eco-friendly and fashionable. Aranya has been making a remarkable difference in the lives of differently abled children for the last 25 years, in line with the Tatas' philosophy of impacting society rather than making a profit, he added.

Srishti's Managing Trustee Ratna Krishnakumar said: "At Aranya Natural, we pride ourselves on being recognised as a brand that is completely natural and organic. Today, these youngsters, although differently abled, are extremely talented and proudly stand independent on their own feet. Their commitment and enthusiasm have made Aranya what it is today and we are very proud of them."

At a conference on ‘Sustainability of Natural Dyes’, the speakers discussed many aspects of natural dyes and their importance in future.

Yoshiko Wada, a Japanese textile artist, said it is important that consumers from privileged sections recognise where the materials come from, and the environment and communities in which the products are made. “We need to question whether making things — functional textile or fashion — can be sustained within the fragile network of living organisms and human beings,” she said.

Speaking on circular design (minimising waste, sustainable and continual use of resources), Aditi Shah Aman, textile designer and social-eco entrepreneur, emphasised the importance for designers to address not just the needs of the end users, but also the three dimensions of sustainability — economic development, social progress and development, and environment protection and regeneration.

Source: thehindubusinessline.com- Feb 24, 2020

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