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IBTEX No. 61 of 2019 March 25, 2019

USD 69.06| EUR 78.05 | GBP 91.11 | JPY 0.63

Cotton Market		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21100	44100	**81.38**
Domestic Futures Price (Ex. Warehouse Rajkot), March		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21360	44642	**82.38**

International Futures Price	
NY ICE USD Cents/lb (May 2019)	76.58
ZCE Cotton: Yuan/MT (May 2019)	15,335
ZCE Cotton: USD Cents/lb	103.61
Cotlook A Index – Physical	**86.40**

Cotton Guide: Although the trend has been quite steady and straight onto positive side. It is also expected to remain upbeat but volatility in the market in the near term cannot be ruled out.

More than the cotton fundamentals like - renewed interest in Cotton exports, lower ending stocks and tight supply the play of USD will be very important to observe. Below in the report have highlighted several factors, points on Cotton and determined a short term view in the market. Indian cotton has formed a V-Shaped Pattern, more upside could be likely:

Indian Cotton price has formed a “V-Shape” pattern in last three months of 2019 or moved in line with the seasonal pattern. In the early week of January cotton price for Shankar-6 variety was seen trading around Rs. 43,500 per candy which continued to slip down to make a low price of Rs. 41500 in end of February. The fall in the price was majorly attributed to higher supply in the Indian market, uncertainly continued to prevail in the global market amid US-

China trade worries and lower US exports. However, in last 18 days of March the scenario has completely reversed. As of 23rd March the same underlying cotton is seen trading above Rs. 44,000 per candy. The same underlying has moved in the similar trend at the global market. The Indian cotton had made low of 76 cents which is currently trading around 82+ cents per pound.

The ICE Cotton has surpassed key resistance of 75 cents, portraying a positive outlook:
While we correlate the Indian cotton price trend it has moved no different from the global trend. The ICE cotton was hovering near 70/72 cents for several weeks before it could hit near 78 cents in the last week. Active May contract has been moving higher for the past two weeks and trading comfortably above 77 cents per pound. In the short term we could see the underlying ICE Future moving higher and the immediate resistance is seen at 78 cents and break of which it may test 80 level. On the lower side we have 75 and 73.50 are two key support levels. The broad range is expected to be between 74 to 79 cents per pound.

Primary drivers for quick price rise:

In the month of March around 20 working days the Indian cotton price for Shankar-6 has advanced over 6% to trade above Rs. 44,000 per candy ex-gin.

Following are the major reasons for price rise:

1- Expectation of exports of cotton to China. Overall country's export may be pegged around 5 million bales.
2- Indian traders have signed fresh export deals with China, which is over and above the 6 lakh bales already shipped so far since October 2018.
2- Further downward revision in the Indian cotton production. Figure might deteriorate below 32.80 million bales.
3- Sharp decline in the previous year carryover stocks leading to acute tightness in the overall supply
4- Global cotton price too have revived from the recent low of 70/72 cents and currently trading near 78 cents supporting Indian cotton price higher.
5- US export sales commitments for 2018-19 has increased considerably by a net 125,000 bales of upland cotton.

Short Term Trend of Cotton:

Market is expected to remain upbeat. The ICE future may be prolonged with the momentum to hit 78/80 cents mark. However, profit booking on higher level cannot be ruled out. Market might observe heavy volatility while it is expected to trade in the range of 74 to 79 cents per pound in the near term.

Indian cotton is also expected to observe positive trend amid tight supply, lower arrivals and expectation of new export demand to China. We see Indian cotton for Shankar-6 to trade in the range of Rs. 43,700 to Rs. 44,500 per candy.
The basis between ICE and Indian cotton continues to be around 5 to 6 cents. Any further decline might attract higher export interests to the latter. We hold a positive view on cotton in the near term.

On the futures front Indian cotton April contract is expected to trade in the range of Rs. 21,500 to Rs. 22,000 per bale

Events to watch out in the near term:

The play of US dollar is important in the coming week.
1- Federal Reserve officials and Japan central banks speech.
2- Regular economic number from US, Europe and China while US Trade balance and US GDP Q4 are scheduled on Wednesday & Thursday may have major impact on most of the markets.
3- More than the economic numbers from the US, the T-bills and Yields have slipped sharply in last few trading sessions in the US indicate market to be vulnerable as well as heavy volatile in the near term.

Other Market outlook:

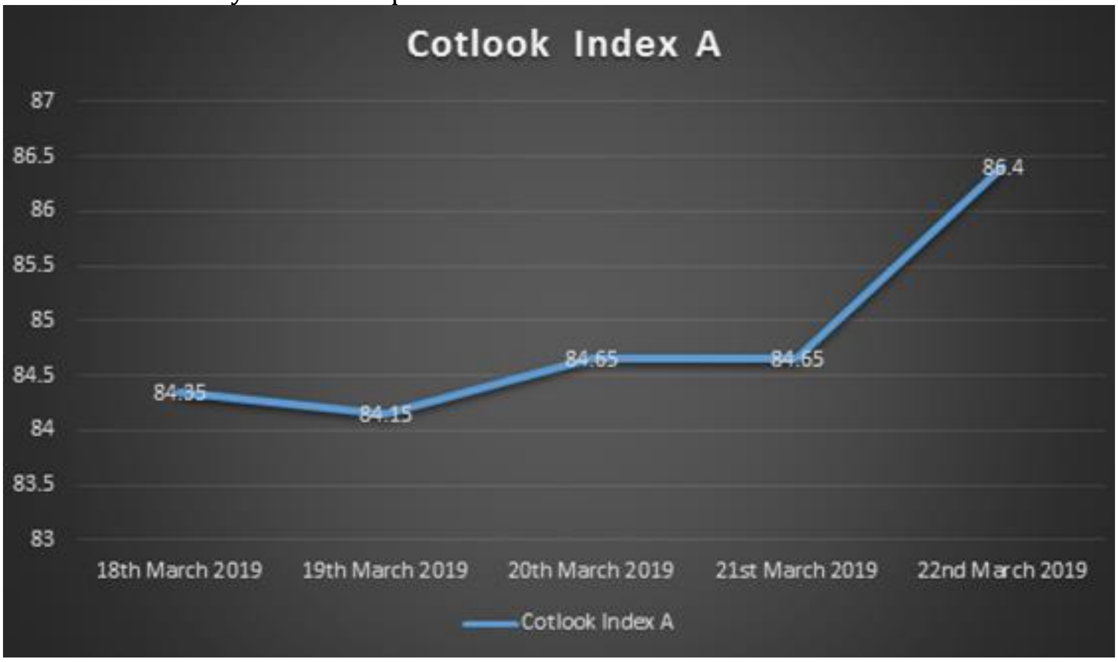
USD Index:

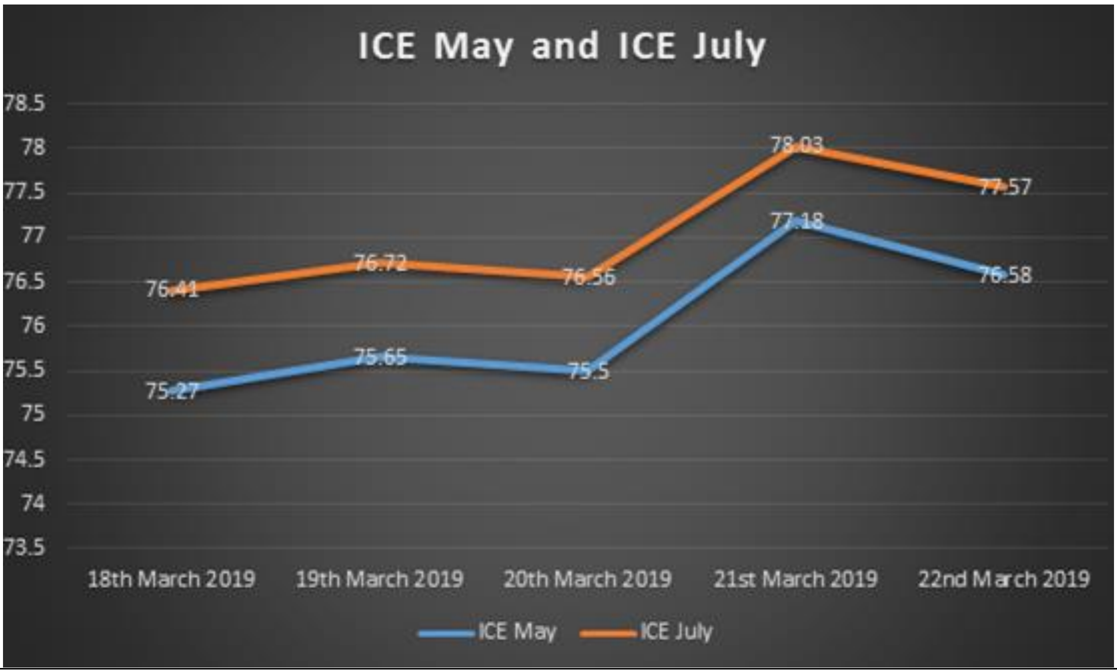
The weakness to USD dollar may be continued however, it might not witness the lows that were noticed in the last week. The trading range for the USD index could be 95.50 to 96.70. As said above series of data from the US and Europe during the week will have heavy volatility in the currency. Crude Oil- WTI: Although it's highly overbought, retreated from 60 USD/BBL and closed at 59.05 there is yet no sign of reversal. Market may witness critical juncture in the near term and set a price range of 56.70 to 61. Note, either side breakout shall give a fresh trigger to market.

On the technical front, ICE Cotton futures rallied above 77 levels (50 % Fibonacci retracement level) after moving out of the downward sloping channel with the formation of pennant pattern. In the daily charts price got supported by bullish crossover of short EMA (13) above the Long term EMA (26) and the momentum indicator MACD which is trading above the central line. Moreover positive divergence between MACD and price strengthened the bullish bets. So for the day price is expected to move in a positive direction targeting 78.20 levels. Immediate support exists around 76.70, followed by 75.80. In the domestic market Mar futures is expected to rise towards 21550-21600 zone.

Currency Guide

Indian rupee may note some losses against the US dollar. Weighing on rupee and other riskier currencies is selling pressure in major equity markets. Disappointing US and European manufacturing PMI data and inversion of US bond yield curve as fueled concerns about health of major economies. Also weighing on market sentiment is uncertainty about Brexit and US-China trade deal. UK has got an extension till April 12 to work on Brexit deal however several British newspapers said UK Prime Minister Theresa May is under increasing pressure to stand down over her handling of Britain's exit from the European Union. US-China trade talks will resume this week as US officials visit Beijing however market expectations are low that a deal could be reached soon. Also weighing on rupee is general strength in US dollar against major currencies as Fed's dovish stance countered worries about European economies. However, supporting rupee is marginal correction in crude oil price from recent highs. Brent crude has slipped to $66 per barrel as disappointing economic data fueled demand concerns. Also supporting rupee is investor interest in domestic market as is evident from foreign inflows in equity and bond market. Rupee has been struggling for direction since breaking below 69 levels which indicates that the recent rally could be coming to a halt. With general weaker risk sentiment, it is likely that we could see some weakness. USDINR may trade in a range of 68.6-69.25 and bias may be on the upside.





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INTERNATIONAL NEWS

It's China Slowdown — Not the Trade War — Investors See as the Bigger Risk

A slowdown in China's economy -- not the trade war -- is now the biggest risk for investors for the first time in almost two years, according to the latest fund manager survey by Bank of America Merrill Lynch.

About a third of investors polled said that slower growth in China is their biggest concern, replacing trade war risks which had topped the list for nine straight months, according to a survey of 186 fund managers conducted this month by the bank. A corporate credit crunch came in third, followed by U.S. politics.

Stock markets globally have been roiled by ongoing concerns surrounding the U.S.-China trade war for over a year. While both these worries are interconnected, markets have been relatively unreactive toward newsflow the trade discussions compared with that on global economic growth.

Two weeks ago, the MSCI Asia Pacific Index suffered its biggest slump this year as China and the European Central Bank cut growth forecasts and the U.S. reported weak export data. Fast-forward to today, the regional benchmark index was a mere 0.3 percent lower after U.S. negotiators were said to be concerned that China is pushing back against American demands in trade talks.

The survey also found that equity allocation has fallen 3 percentage points month-on-month to just 3 percent net overweight, the lowest since September 2016, despite a 12 percent gain in global stocks in the year so far. Elsewhere, the survey showed that shorting European equities was seen as the most crowded global cross-asset trade.

"The pain trade for stocks is still up," said Michael Hartnett, chief investment strategist at the bank. "Despite rising profit expectations, lower rate expectations and falling cash levels, stock allocations continue to drop."

Source: bloomberg.com - Mar 21, 2019

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US protectionist strategy to affect Indian labour markets and competition?

The office of the United States Trade Representative (USTR) has announced that India and Turkey may lose their status of Developing Beneficiary Country (BDC) under the General System of Preferences (GSP) of the WTO. According to the GSP, developed countries, in an attempt to aid in the development process, must allow duty free access to the products being manufactured in the Less Developed or Developing countries. In this manner, the former can procure cheap raw materials for the production of high end finished goods while the latter are granted access to competitive markets at lowest barriers.

Requests from the National Milk Producers Federation and the US Dairy Export Council, and the Advanced Medical technology Association of the US against technical barriers to trade by India had prompted the Donald Trump administration to consider revoking BDC status for India.

‘Price controls’ and ‘onerous requirements’ have been cited as examples of New Delhi’s failure to provide ‘equitable and reasonable market access’ to Washington. But the extension of GSP benefits has been used by market fundamentalists, such as the US, to promote subscription to this idea in developing nations. As such, the expectations of reciprocity by United States are contrary to the essence of GSP.

If India is denied the beneficiary status, following the legislative procedure in the following days, it will lead to a higher import duty on Indian products being exported under this scheme. Indian products would be levied the Most Favored Nation (MFN) or effective applied tariff rates, which are higher than those for BDC. Major concerns would be regarding the price competitiveness of these goods in US markets relative to those countries exporting similar products under the GSP scheme.

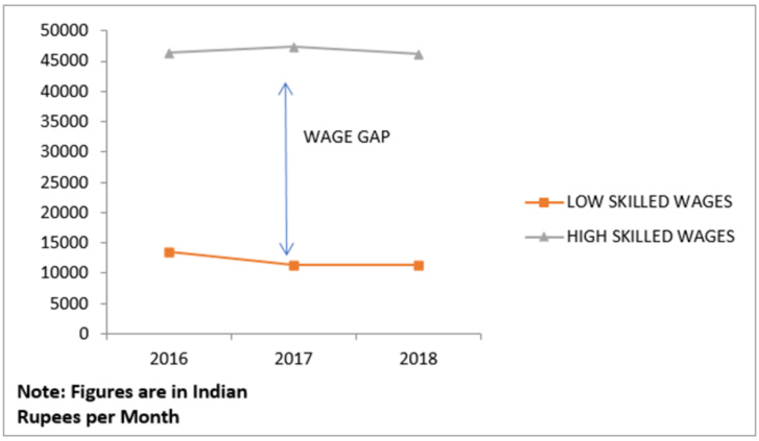
Evidently, this will be discriminatory to Indian exporters. Although most of the products are intermediate goods, the impact of the withdrawal on product categories such as leather goods, textiles and clothing, carpets, miscellaneous items of base metal and articles of stone, plaster, cement, asbestos, mica or similar materials, and precious metal jewelry will require a holistic analysis.

The reductionist idea of looking at trade deficits as measures of the health of an economy can be misleading and have a boomerang effect. Higher duties on these products will raise the cost of production of US goods- affecting their global competitiveness in turn. As a result, efforts to reduce trade deficit by Washington might face a setback.

GSP: Markets, employment and comparative advantage

Majority products exported under the GSP belong to the micro, small and medium enterprises which are labor intensive. These sectors are a major source of employment for the lower middle-income class of the society. The recent trade tension between the two nations will have a spillover effect on this section- especially the semi and unskilled workforce. They are confined to certain sectors and particular occupations (specific factors). If the produce of this sector becomes less competitive in world markets, prices would decline and neo-classical theory of price magnification suggests that this will result in a decline in the wages of the semi-skilled labor employed.

Figure 1: Wage Gap in India



Source: *Trading Economics*

Intuitive logic behind the mechanism is that reduction in demand leads to lower production, which subsequently lay off more workers than that which can be absorbed in other sectors of the economy.

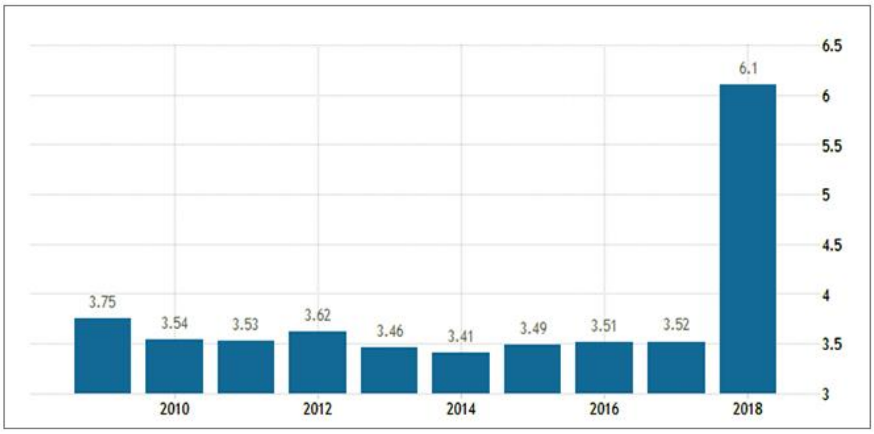
A situation of excess labor supply reduces the wage rate of semi-skilled laborers. Hence, the wage gap between skilled and unskilled or semi-skilled labor gets widened.

Thus the argument that the withdrawal of GSP status will not affect Indian economy to a large extent, needs careful analysis. International trade is a dynamic phenomenon with the involvement of different sectors and sections of society.

The factors of production involved behave in a very charismatic manner to different policy changes. External shocks such as the imminent withdrawal of duty-free access to US markets will definitely have an effect on the Indian economy. It might lead to unemployment if these export sectors are unable to compete with other countries globally.

With a huge population and a growing workforce, employment is major problem for India. Unemployment figures for 2018 show a remarkable rise from previous levels. At a situation like this, unfavorable effects via the GSP might lead to unprecedented impacts on the economy.

Figure 2: Unemployment Rate (%) in India



Among India's competitors in the US markets, who are also beneficiaries under GSP, are Bangladesh, Indonesia, Brazil, Egypt, Cambodia and South Africa. These countries will continue to get duty free market access, while India will be subject to the standard tariff rates. Unless Indian commodities have a genuine comparative advantage, they will lose their competitiveness. In the market for clothing and textile, Bangladesh has a superior position.

Although both countries have a comparative advantage in clothing and textile exports, Bangladeshi products are relatively more competitive. In the market for precious and semi-precious metals, India faces stiff competition from South Africa.

Removal of BDC status will attract competition from other non-BDC countries such as Vietnam and Canada as well. This is going to hurt Indian exporters a lot as the US is among the top two countries in the ranking of export destinations for Indian goods.

Economic aspirations and objective of acquiring a major share in global trade might face a setback.

Preparing for the future

New Delhi has the option of moving the WTO against this action of the US. However, times have changed since the last time India took such a stance against the EU in 2006. India is in a better position to defend her own interests. Policy should focus on taking a pragmatic stance and resolve the issue by engaging in dialogue with the US.

At the same time, Indian government must also provide incentives to its exporters, in order to ensure that they do not lose their competitiveness in the global market. Goods and Service Tax (GST) relief or exemption for Small and Medium Enterprises will help promote exports and safeguard their competitiveness.

Alternative markets such as the EU and UAE may be explored. New Delhi must take the lead role in initiating talks with these countries and set up Export Promotion Councils with additional emphasis on the intermediate goods sector. The onus should be on state governments to ensure that the SME sectors are provided with adequate infrastructure- both physical and financial.

At this outset, India must be prepared to tackle the uncertainty surrounding international politics and economics, especially the Trump Administration. Creating a strong domestic economy with world class infrastructure and investment should be the policy motive.

Unless this is ensured, even small repercussions in global economics, such as the one at hand, will have substantial impacts on the domestic economy.

Source: orfonline.org- Mar 22, 2019

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Textile and Apparel Origin Rule Changes in Morocco FTA to be Effective April 1

In December 2018 President Trump issued a proclamation modifying the Harmonized Tariff Schedule of the U.S. to, among other things, reflect an agreement to modify certain textile and apparel origin rules under the U.S.-Morocco Free Trade Agreement. These changes had been requested by the government of Morocco based on the commercial availability of specific inputs.

The Office of the U.S. Trade Representative has now announced that, effective with respect to goods of Morocco that are entered or withdrawn from warehouse for consumption on or after April 1, the product-specific rules for chapter 62 set forth in HTSUS General Note 27(h) will be modified by inserting the following new chapter rule.

"Chapter rule 4: The products listed in this rule are read in conjunction with the product-specific rules set out in this note. For purposes of determining whether a good is originating, a product listed in this rule shall be considered originating, notwithstanding the origin of the input mentioned in the rule, provided the goods meets any specified requirements, including any end-use requirement:

- Women's or girls' cotton corduroy skirts and divided skirts classified in subheading 6204.52, of cotton corduroy fabrics classified in subheading 5801.22;
- Women's or girls' man-made fiber blouses, shirts and shirt-blouses classified in subheading 6206.40, of polyester corduroy fabrics classified in subheading 5801.32;
- Women's trousers classified in subheading 6204, of synthetic bi-stretch fabric containing 45 to 52 percent by weight of polyester, 45 to 52 percent by weight of rayon and 1 to 7 percent by weight of spandex, classified in subheading 5515.11;
- Women's trousers classified in subheading 6204, of woven fabric containing 60 to 68 percent by weight of polyester, 29 to 37 percent by weight of rayon and 1 to 7 percent by weight of spandex, classified in subheading 5515.11;

- Women's trousers classified in subheading 6204, of woven herringbone fabric containing 31 to 37 percent by weight of viscose rayon, 17 to 23 percent by weight of polyester, 17 to 23 percent by weight of cotton, 13 to 19 percent by weight of wool, 5 to 11 percent by weight of nylon and 1 to 6 percent by weight of spandex, classified in subheading 5408.33."

Source: strtreport.org- Mar 25, 2019

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USA: Normalizing Trade Relations With China Was the Right Thing To Do

Trade Representative Robert Lighthizer and House Speaker Nancy Pelosi's revisionist history of the U.S.-China trade relationship misses the mark.

U.S. Trade Representative Robert Lighthizer has long claimed that Congress made a major mistake when it granted China "permanent normal trade relations" (PNTR) status. Testifying before the House Ways and Means Committee last month, Lighthizer praised Speaker Nancy Pelosi for being "a leader on this issue," noting that "as long ago as 2000, she wisely warned about the dangers" of such a move.

No member of the committee pushed back to defend the decision—not even Chair Richard Neal (D–Mass.) or ranking member Kevin Brady (R–Texas), both of whom voted for PNTR back in 2000.

But Neal, Brady, and a bipartisan majority of Congress were right back then. Lighthizer is exaggerating the costs of PNTR, minimizing its benefits, and claiming it failed to deliver on expectations it in fact was never intended to fulfill.

Congress passed PNTR to smooth China's entry into the World Trade Organization (WTO), but the country probably would have joined the WTO either way. And Congress would likely have continued renewing normal trade relations with China each year, as it had since 1980, granting it the same access to the U.S. market as almost all our other trading partners.

The key difference would have been that the United States would not have benefited from the Protocol of Accession that China had signed, in which it made significant commitments to reduce tariffs and to further open its economy to imports and investment. Other WTO members would have gained that additional market access, while U.S. producers would have faced higher, discriminatory barriers.

Rejecting PNTR would also have meant that the U.S. could not use the WTO dispute settlement mechanism to challenge Chinese trade practices. A recent analysis by the Cato Institute documents 22 cases brought by the United States against China since it joined the WTO in 2001. "In all 22 completed cases, with one exception where a complaint was not pursued, China's response was to take some action to move toward greater market access," Cato concluded, adding that "there are no cases where China simply ignored rulings against it."

By approving PNTR, the U.S. Congress opened the door for U.S. producers to dramatically expand the value of American-branded goods and services sold in China. Under China's accession agreement, its average duty applied to products the U.S. exports to China has dropped from 25 percent before its entry to 7 percent. It has also liberalized its rules on services trade and foreign direct investment.

As a result, U.S. exports of goods and services to China have grown exponentially, according to Commerce Department figures. From 2001 through 2017, before the Trump administration launched its current trade war against China, annual U.S. exports grew from $24.5 billion to $187.5 billion, an almost eightfold increase. Sales by U.S. majority-owned affiliates in China soared more than tenfold from 2001 to 2016, from $32.6 billion to $345.3 billion; profits from those operations grew more than fourteenfold, from $1.8 billion to $26.0 billion. Between exports and affiliate sales, U.S. companies now sell half a trillion dollars of goods and services a year in China.

To show the supposed failure of past trade policy, Lighthizer held up a chart at the Ways and Means hearing showing that the U.S. bilateral goods deficit with China has grown since 2001. But almost all economists agree that bilateral deficits are virtually meaningless; they certainly are not a scorecard on the benefits of a trade relationship. At any rate, a major reason why our deficit with China has grown is that goods we used to import directly from other East Asian nations, such as Japan, South Korea, and Taiwan, are now routed through China for final assembly before being shipped to the United States. If we take into account only the value added in China, the bilateral deficit shrinks by more than one third.

When Lighthizer flashed his graph, he should have been asked why the deficit with China has kept climbing under the Trump administration's new get-tough policy. The merchandise trade deficit with China in 2018 was a record $419 billion, a full 20 percent higher than the 2016 deficit before the administration came into office. Far from "fixing" the deficit with China, the administration's policies have been accompanied by a rise in imports from China and a fall in U.S. exports.

The administration is not responsible for the growing deficit, but the fact that it has grown despite the duties levied on $250 billion of imports from China buttresses the argument that deficits are the result of underlying macroeconomic forces and are not easily changed by adjusting tariffs.

Lighthizer raised another familiar piece of evidence when he invoked the loss of manufacturing jobs. "In 2000, the year before China joined the WTO, there were 17.3 million manufacturing jobs in the United States," he told the committee. "By 2016, 5 million of those jobs were lost." He acknowledged that not all those jobs were lost because of China, but he left open just how many.

The truth is that more than 80 percent of those jobs disappeared not because of trade with China, or trade with any country, but because of automation and productivity gains. Even the much-cited "China Shock" study by economists David Autor, David Dorn, and Gordon Hanson estimated that China trade was responsible for just under 1 million net manufacturing jobs lost during that period.

Many of those jobs probably would have been lost anyway, regardless of whether China got PNTR status or joined the WTO, thanks to expiring global quotas on the textile and apparel trade and to China's ongoing growth as an export platform. And the direct connection between imports and manufacturing jobs is shaky. In the past two years, a thriving U.S. manufacturing sector has actually added a net 458,000 jobs, all while imports from China and the rest of the world continued to rise.

The fact that China has failed to evolve into a free-market democracy since 2000 is not a failure of trade liberalization or the WTO. The WTO was not created to transform the political and economic systems of its members. It was created to advance the more modest goals of establishing and enforcing basic rules for global trade while facilitating agreements to reduce trade barriers worldwide. And it has done that. Far from being a mistake, that 2000 vote brought China under the discipline of more WTO rules and further opened the growing Chinese market to U.S. goods and services. Far from being a mistake, the vote in 2000 on China PNTR was one of the finer moments of bipartisan postwar trade policy.

Source: reason.com- Mar 23, 2019

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Apparel Sourcing Show Showcases Central America's Competitive Advantage

The Apparel Sourcing Show is preparing to demonstrate the capabilities of the apparel and textile sectors in Central America.

The show, which will be held May 14-16 in Guatemala City, will showcase the region's competitive advantage in the face of changing world market trends. It is the only regional platform where all members of the apparel and textile value chain in Central America can present their capabilities to buyers and promote the integration of the supply chain.

The apparel industry continues to be a fundamental pillar for the economies of Central American countries, especially in the face of recent global complexities. In 2018, Guatemala's garment and textile sector was one of the few categories to experience a growth in exports, registering an increase of 9.3 percent.

This year the trade show, which is organized by the Garment and Textile Association of Guatemala (VESTEX), seeks to take advantage of these growth trends and propel the industry into the future. The show will present the latest in supply chain enhancements, including innovations that optimize time and resources, technical developments in cotton fabrics, intelligent technology in synthetic fabrics and recycling and regeneration processes for sustainable garments.

“The industry continues to be dynamic on the subject of the market, being flexible and innovative in its production to increase productivity, added value and thus impact on the country’s exports,” according to Lucía Palacios, director of promotion for VESTEX. In this sense, it is essential to continue promoting the integration of the supply chain, giving factories the opportunity to know what other companies within the chain are doing and in what areas they are innovating, Palacios added.

The exhibition floor will feature 200 exhibitors, representing the entire supply chain, including raw materials and finishings, textiles, packaging, shipping, technology and machinery. The show is known for offering a variety of raw materials suppliers that offer the opportunity to create more sophisticated garments with higher added value. This has been an important factor in the increase in orders that was seen in 2018.

Textile exhibitors will make up 39 percent of the exhibitors, finishing and sewing machinery will constitute 20 percent of vendors and the rest will be made up of clothing, services and accessories companies. Half of the exhibitors will be expected to be international from countries such as Guatemala, El Salvador, Colombia, the United States, Turkey, Canada, China, Korea, Brazil, Spain and Peru among others. This year, the Textile Federation of Taiwan will exhibit for the first time, showing innovations in smart fabrics.

The show is also a valuable networking opportunity and to facilitate more face-to-face interactions, Apparel Sourcing is launching a connectivity platform designed to facilitate meetings within the framework of the fair and bring together companies based on their real interests and capabilities. Through this platform, participants can preview attendees and exhibitors and generate business appointments in advance.

The Matchmaking Meeting Program is an exclusive activity for international buyers and apparel manufacturers where in three days they are able to have one-on-one prescheduled business meetings according to each profile. Producing in Central America does have its incomparable advantages such as quick delivery (six to eight weeks lead times), flexible production, duty free access to the U.S, Mexico, Europe among others and high added value garments.

Additionally, the show will present Moda País, a showroom within the event designed to foster fashion and design and the creation of national brands for export by highlighting local talent and innovations.

Source: sourcingjournal.com - Mar 22, 2019

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China to import more from US to balance bilateral trade: Top official

Beijing is reported to have promised to buy larger quantities of US agricultural and energy products to help achieve that goal

Ahead of the crucial talks next month to finalise the texts of trade deal with the United States (US) to end the trade war, a top Chinese official said on Sunday that China will import more goods from the US to balance bilateral trade, a key demand of President Donald Trump.

Trump is demanding China to reduce the $375 billion trade deficit and protection of intellectual property rights (IPR), technology transfer and more access to American goods to Chinese markets.

He has already increased the tariffs on over $250 billion Chinese exports to the US and threatened to extend tariffs on $200 billion Chinese imports to 25 per cent.

Trump held back his threat to impose additional tariffs on the rest of Chinese imports as both sides stepped up talks to finalise the text of the deal.

The White House said recently that talks between Chinese Vice-Premier Liu He, China's main trade negotiator and the US Trade Representative Robert Lighthize and Treasury Secretary Steven Mnuchin will be held on April in Washington.

Ahead of the talks, Vice-Premier and Politburo Standing Committee member Han Zheng told the China Development Forum in Beijing on Sunday that China will work to boost imports and achieve a more even balance of trade with the US.

Han told a gathering of foreign business representatives and former government officials from the US and other countries that his government was committed to levelling the playing field.

“We do not aim to (increase the) trade surplus and sincerely want to increase imports to achieve trade balance,” Han told the media.

He said that China would improve market access, including shortening the negative list of industries in which foreign investment is limited or prohibited, and ban the practice of forcing foreign firms to transfer proprietary technology to joint venture partners.

As the next step, we will continue to shorten the negative list for foreign investors and allow sole proprietorship of foreign businesses in more sectors, he said.

China would also speed up the opening up of more sectors, including telecommunications, education and health care, he said.

We will continue to strengthen intellectual property protection, prohibit forced technology transfers, and build a penalty and compensation system (for infringement cases),” he said.

Beijing is reported to have promised to buy larger quantities of US agricultural and energy products to help achieve that goal.

The trade gap for goods bought and sold by the US and China in 2018 rose 11.6 per cent from the previous year to a record $419 billion, stated media reports.

China recently passed a new foreign investment law which for the first time provide an opportunity to foreign firms from June 1 to invest in China without joint ventures with protection to technology.

Chinese officials say the new law with a negative list provides level playing field treating foreign firms on par with that of the domestic companies.

Source: thehindubusinessline.com - Mar 24, 2019

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Reshaping Egypt's vital cotton industry

Egyptian officials are trying to instil new life into its textile industry, which contributes almost 3% of GDP.

Egypt is overhauling its cotton industry with the introduction of modern equipment but the move may have adverse effects on the cultivation of its high-quality, extra-long staple cotton.

The modernisation process is to include replacing obsolete machines in tens of state-owned cotton weaving, ginning and spinning factories that don't handle the local production of extra-long staple (ELS) cotton. They operate only with imported short-staple cotton.

Some of the machines in ginning factories date to 1878, Public Affairs Minister Hesham Tawfik said.

He said the modernisation process would include merging some cotton plants, with the aim of increasing production four-fold in the coming years. Funds to finance the project, he said, would come from the sale of unneeded textile industry assets.

Egyptian officials are trying to instil new life into its textile industry, which contributes almost 3% of GDP, employs one-third of the industrial labour and generates exports worth $2.6 billion annually (15% of Egypt's non-oil exports).

The industry was, however, beaten out in the past two decades by the invasion of cheaper products from other countries.

Textile factory machines used to whirr loudly and spool hundreds of thousands of metres of the finest fabrics, feeding on Egypt's unparalleled ELS cotton.

"The upgrade of the factories will be the real beginning for modernising the whole industry," said Mohamed al-Qaluibi, of the Textile Industry Section at the National Federation of Industries. "This will have strong effects on the competitive edge of textile products in local and international markets."

The first modernised ginning plant is to begin operations in April in the central province of Fayoum. It is among 11 ginning plants being overhauled, along with several weaving and spinning factories. There are fears the modernisation plan will have far-reaching effects on the cultivation of Egypt's renowned ELS cotton and exports to international markets.

There is meagre demand for ELS cotton in the local market, where 65% of textile factories operate with short-staple cotton imported from Greece, Sudan and Syria. Egyptian factories imported 1.1 million tonnes of short-staple cotton last year.

With the factories' modernisation, the government will start growing short-staple cotton. That means an increase in space for its cultivation at the expense of ELS. Last year, more than 120,000 hectares were cultivated with ELS cotton, an area that shrunk to around 80,000 hectares this year.

Cotton farmers sustained big losses last year. Some 14,000 tonnes of ELS cotton could not be exported. Egyptian Minister of Agriculture Ezzeddine Abu Steit charged that cotton marketing companies have let the farmers and the government down. "We need to create demand for [ELS] cotton in the local market," he said.

Egypt is trying to adapt to the needs of its textile industry. Prime Minister Mostafa Madbouli in February ordered the formation of a scientific and academic panel to oversee a plan for the cultivation of short-staple cotton.

The plan has not been put into effect yet but the space cultivated with cotton this year will come down to 84,000 hectares. This is a far cry from the approximately 810,000 hectares cultivated with ELS cotton in the early 1980s when revenues from raw cotton exports outweighed revenues from any other sector.

Abdurrahman Hussein, president of the independent Farmers' Union, accused Abu Steit of damaging the country's ELS cotton farming by reducing cultivation areas. "The minister's plan will also cause huge losses to cotton farmers," Hussein said. Egypt cooperates with the UN Industrial Development Organisation to help local farmers grow more and better cotton. The 1-year programme, which started last July, aims to reverse the decline in ELS cotton production and demand.

To allay farmers' fears, Abu Steit said cultivation of short-staple cotton would only begin next year. "We will grow it in the desert to prevent it from damaging our pure [ELS] cotton production," he said.

Source: thearabweekly.com - Mar 24, 2019

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BRI a new source of growth for EU

China has been cooperating mainly with developing countries in Asia and Africa under the Belt and Road Initiative framework. But if China and Italy were to sign a memorandum of cooperation, China would also be working with a developed economy in Southern Europe, as well as a G7 member and an important link in the ancient Silk Road, to promote the Belt and Road Initiative.

Hit by several crises including the debt and refugee crises, European countries are seeking new growth points. Confronted with development bottlenecks and a rising unemployment rate, Italy hopes to expedite its economic recovery and achieve growth by collaborating with China in the Belt and Road Initiative.

Italy's own development needs and national interests have prompted it to edge closer to China despite the US' opposition. But given there is no existing model for cooperation between China and a developed country under the BRI framework, the two sides have to work out a new collaboration model based on their respective national conditions, in order to realize win-win results. For instance, Italy's famous fashion industry could establish a win-win working relationship with China's textile industry.

Xi's visit to Italy is expected to help European countries better understand the Belt and Road Initiative and its aim of promoting interconnectivity and economic development across Asia, Europe and Africa. Hopefully, more European countries will follow in the footsteps of Italy to join the Belt and Road Initiative.

By joining BRI, Italy will improve bilateral ties

If signed, the memorandum of cooperation between China and Italy would certainly help promote cooperation between the two countries, which have had a comprehensive strategic partnership for 15 years.

In the near term, cooperation with China may help boost Italy's economy, improve Italian people's livelihoods, and stabilize the eurozone's financial situation, which will enable Rome to reduce its public debt ratio and staggering financial deficit.

In the long run, deepening collaboration under the BRI framework may expand the export of Italy's agricultural and food products, technologies, medicines, tourism, cultural and other products to China and other regions. And improving the infrastructure at Italian ports along the Mediterranean and interconnectivity between land and sea may significantly promote trade between Italy and other European countries.

Both sides must adopt pragmatic approach

European countries have been rather ambivalent when dealing with the Belt and Road Initiative. They hope to gain easier market access and acquire more capital by deepening relations with China but are reluctant to deepen cooperation with China because of ideological differences and the US' political influence on them.

Under such circumstances, Italy's open support to the BRI is indeed encouraging. In fact, more or less all European countries have benefited by cooperating with China.

The conditions for deeper cooperation between China and Europe, especially under the BRI framework, are favorable. First, the two sides have forged strong economic ties, with European enterprises such as Volkswagen, Carrefour and Total opening plants and branches in China and laying a solid foundation for collaboration under the BRI framework.

Second, the existing cooperation mechanism and infrastructure connectivity between the two sides, for instance, the China-EU Connectivity Platform and the China-Europe freight train network could further facilitate cooperation under the BRI framework.

And third, China and Europe have a history of settling their disputes through consultations and negotiations, as seen in the solar panel trade, which not only protects both parties' core interests and leads to win-win cooperation but also is conducive to collaboration under the Belt and Road Initiative framework.

Italy's move, hopefully, will prompt other European countries to stop adhering to the US' divisive policies and adopt a more pragmatic approach toward China for the sake of their own economic development and national interests.

Advanced nations welcome to raise BRI standards

That Italy's Prime Minister Giuseppe Conte has vowed to bring the European Union's trade standards to the Belt and Road Initiative should be welcomed, as China, despite proposing the initiative, doesn't set all the standards for cooperation under the BRI framework.

Chinese leaders have repeatedly emphasized that the initiative is open and inclusive in nature, and that China welcomes all countries including the US, which strongly opposes the initiative, to participate in it and help raise it to a higher level.

The West has been criticizing the initiative's programs saying they follow low trade and environmental standards, and blaming China for all the problems, if there are any. But the fact is, China initiates the Belt and Road programs, but the standards for different programs are set after taking into consideration local laws, rules and conditions. Therefore, higher standards can be set only if all sides, especially the developed countries, participate in it.

In the future, small and medium-sized enterprises should be encouraged to play a more active role in Belt and Road projects and private capital introduced to boost the economic development of all the economies involved.

Some critics even claim that China is trying to divide Europe by establishing cooperation mechanisms with certain European countries, but such critics don't realize the simple fact that a divided Europe would cause more harm than good to the Chinese economy.

As a staunch supporter of multipolarization, China hopes to see a strong, unified Europe which will help build a more balanced world order. Therefore, it has made efforts to help accelerate the integration of Europe, by deepening its economic cooperation with European countries. After all, the integration of Europe cannot be realized unless all countries are economically strong enough.

Belt and Road open to all economies

Several factors will push European countries to adopt a more open attitude toward the Belt and Road Initiative.

A growing appetite for investment in infrastructure, which the European Commission's Investment Plan for Europe (known also as the "Juncker Plan") could not satisfy, means European countries have to find new sources of investment. And since the BRI is known to bring visible benefits to the countries involved, it is more than likely that more European countries would join it.

As a matter of fact, countries along the China-Europe freight train route have largely gained through improved infrastructure interconnectivity.

Also, given their opposition to the US' unilateral and trade protectionist policies, European countries could better promote multilateralism and globalization by participating in the BRI. The US has made every effort, though unsuccessfully, to prevent other countries from joining China-proposed initiatives such as the BRI and the Asian Infrastructure Investment Bank. But the US' efforts to prevent Italy from joining the Belt and Road Initiative will not only fail, but also harm its global competitiveness.

Let's hope Sino-Italian cooperation under the BRI framework will produce enough tangible results to prompt other European countries to resist the US' pressure and join the initiative.

Source: chinadaily.com - Mar 23, 2019

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US apparel trade deficit up six per cent

In 2018, US trade deficit in apparel rose nearly six per cent from a year ago. The share of US textile and apparel manufacturing in GDP dropped to 0.15 per cent in 2017 from 0.57 per cent in 1998.

However, US textile manufacturing is gradually coming back. The value added of US textile manufacturing reached its highest level in 2017 since 2009. The size of the US textile and apparel industry has significantly shrunk over the past decades. Textiles accounted for over 80 per cent of the total output of the US textile and apparel industry as of 2017, up from around 50 per cent in the late 1990s.

Clothing accounted for only 12 per cent of the total US fiber consumption in 2012, whereas the manufacturing of non-apparel textile products in the United States, such as industrial and technical textiles, has been growing particularly fast over the past decade. In 2018, US textile manufacturing and apparel manufacturing lost jobs. However, improved productivity is one critical factor behind the job losses.

The United States remains a leading textile exporter and apparel importer overall. For the first time since 2001, the US textile sector has experienced a trade deficit rather than a trade surplus.

Source: fashionatingworld.com - Mar 23, 2019

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European bank invests in Turkish fashion e-com platform

The European Bank for Reconstruction and Development (EBRD) recently invested in Turkish e-commerce platform Modanisa, which received its second global investment within three months.

The funds will be used to strengthen its e-commerce and logistics infrastructure and help more Turkish ready-to-wear brands and manufacturers reach world markets.

Goldman Sachs and Wamda Capital bought a minority stake in the firm in January.

The EBRD invested in 34 projects in Turkey in 2018. Its investments there in various industries, mostly in the private sector in the last decade, have exceeded $12.43 billion, according to a report in an Egyptian daily.

The company will also carry out new social projects for the women who are at the focus of its business, said Modanisa Chairman Kerim Türe.

The platform brings the brands of more than 60 designers and more than 650 manufacturers, with most of them being women, to more than 130 countries in the world. It attracts more than 150 million visitors every year.

Source: fibre2fashion.com - Mar 23, 2019

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UAE keen to grow bilateral trade to $10bn by 2030

To this end, the Embassy of the UAE in Dhaka has drafted a roadmap

The United Arab Emirates (UAE) is keen to increase their bilateral trade with Bangladesh to $10 billion by 2030, a top official at the UAE Embassy in Dhaka said on Sunday.

To this end, the Embassy of the UAE in Dhaka has drafted a roadmap.

Economic Analyst at the UAE Embassy, Altap Hossen, said this speaking at a programme, “UAE-Bangladesh Business Ties: Present Status and Future Opportunities,” at the Hotel Royal Paradise in the capital.

“We identified a minimum of 10 products from Bangladesh for export to the UAE. The products include knitwear, woven garments, home textiles, leather goods, ceramics, agricultural, jute, and plastic goods,” Altap said at the programme.

On the other hand, Bangladesh can import mineral products like LNG and LPG, chemicals, rubbers, Aircrafts and ships and other products from the UAE, he added.

He said a joint business chamber will be established this year for the expansion of trade between the two countries.

Next year, Dubai will arrange a World Expo 2020, where Bangladeshi products will be showcased on a priority basis, Altap said.

"Currently, the size of bilateral trade between the two countries is $1.13 billion. All efforts will be made to take it to $2 billion by 2021, $5 billion by 2025, and $10 billion by 2030," he added.

Focusing on investment, he said the UAE currently has an investment of $7.8 billion in Bangladesh, which will increase over time.

Executive Chairman of Bangladesh Investment Development Authority (BIDA), Kazi M Aminul Islam, was the chief guest while UAE Ambassador to Bangladesh, Saed Mohammed Al-Mheiri, presided over the program.

Business leaders and concerned government officials from two countries were present at the occasion.

The UAE Ambassador in his speech said his country is keen to deepen bilateral relations with Bangladesh on all fronts, including business and the economy.

"We would like to extend our hand to businessmen of both countries to increase the trade volume," Mheiri added.

Referring to the recent visit of Prime Minister Sheikh Hasina to the UAE last month, he said the visit strengthened the brotherly ties further.

During the visit, several MoUs were signed between the governments and private sectors of the two countries.

"Many more UAE companies are also keen to invest and do business in different sectors in Bangladesh" he continued.

On the occasion, Aminul Islam urged the UAE to invest Bangladesh.

"We now have special economic zones, export processing zones, and high tech parks for foreign investment," Aminul said.

Referring to a number of research studies, the BIDA chairman said corporate profitability is the highest in Bangladesh compared to other peer countries like India, Vietnam, and Thailand.

Deputy Chief of Mission of the UAE Embassy in Bangladesh, Abdulla Ali ALHmoudi, Managing Director of Intraco Group, Mr. Mohammed Riyadh Ali, Emirates Airlines Country Manager Saeed Abdulla AL Miran, Vice President of Dhaka Chamber of Commerce and Industry (DCCI), Imran Ahmed, Chairman and Managing Director of AL Haramain Perfumes, and Chairman NRB Bank, Mohammed Mahtabur Rahman, spoke on the occasion.

Source: dhakatribune.com - Mar 24, 2019

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Italy's textile sector takes to blockchain

The Italian textile industry has adopted blockchain in a big way. Blockchain is a technology that enables use of a distributed database in management of shareable transactions between manifold nodes of a network.

Every block of the chain will track, monitor and authenticate the movements that concern it to make a network which guarantees the traceability of all transactions. The technology uses cryptographic tools in order to ensure the maximum security per individual transaction.

Blockchain technology is aimed at supporting the made in Italy project, protect its uniqueness and quality such as certifying the supply chain thanks to the mechanism of the shared register which enables attaining maximum security regarding counterfeit stabs. In particular the traceability of the tanning and textile sector chain by the use of distributed ledger technology (DLT) will add something significant to protect the made in Italy goods. Some Italian companies have already started applying blockchain technology in their production chain.

Traceability of the supply chain, through the use of Blockchain technology, is expected to contribute to protecting the Made in Italy product, certifying its effective implementation in Italy, contributing to increasing consumer confidence, also creating conditions of transparency, guarantee for employment and environmental protection.

Source: fashionatingworld.com - Mar 23, 2019

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Italy set to become first G7 country to join 'Belt and Road'

Italy and China want to revive the spirit of the ancient Silk Road by deepening their trade and investment ties, Chinese President Xi Jinping said on Friday during a trip to Rome that has raised eyebrows in Washington.

Mr. Xi is set to sign a deal on Saturday that will see Italy become the first member of the Group of Seven (G7) major industrialised nations to join China's "Belt and Road" infrastructure project (BRI), which is inspired by historic, centuries-old trade routes.

"We want to revitalise the ancient Silk Road in order to better share the fruits of humanity's progress," Mr. Xi said following talks with Italian President Sergio Mattarella. Speaking through a translator, Mr. Xi said the two countries should enhance cooperation in infrastructure, ports, logistics and maritime transport.

Besides the BRI accord, various deals worth up to €7 billion ($7.9 billion) are expected to be agreed, including agreements opening up the northern ports of Trieste and Genoa to Chinese containers.

Italy's populist government is eager for such initiatives to get underway swiftly as it battles to revitalise a sickly economy, which has slipped into its third recession in a decade.
Underscoring the warming bilateral ties, Italy offered Xi an extravagant welcome, with a cavalry phalanx escorting his limousine into the courtyard of the presidential palace -- the sort of entry normally reserved for royalty.

He will later attend a state dinner in his honour, where Italian tenor Andrea Bocelli will sing for the 170 guests.

Italy's decision to get closer to Beijing has caused concern amongst its Western allies -- notably in Washington, where the White House National

Security Council urged Rome not to give ”legitimacy to China's infrastructure vanity project”.

Critics of the BRI say it is designed to bolster China's political and military influence, bringing little reward to other nations, and warn that it could be used to spread technologies capable of spying on Western interests.
Human Rights

In an effort to allay such fears, Rome moved hastily this week to protect its telecoms sector from foreign predators, and the Italian president stressed on Friday that any deals had to be to advantageous to both countries.

“The Silk Road must be a two-way street and not only trade must travel along it, but also talent, ideas and knowledge,” Mattarella said, with Xi standing alongside him.

The two men promised to bolster cultural connections, saying they would twin Italian and Chinese UNESCO heritage sites.

Mattarella also stressed the importance of safeguarding human rights but did not go into specific details. The U.S. State Department earlier this month slammed rights violations in China, saying the sort of abuses it had inflicted on its Muslim minorities had not been seen “since the 1930s.”

China denied the accusation as groundless and prejudiced.

Italy's rapprochement with Beijing has come as U.S. President Donald Trump wages a trade war with China, accusing the world's second-largest economy of unfair trade practices.

Trump's former chief strategist Steve Bannon is in Rome and called on the Italian government to rethink its position.

“I beseech the people of Italy to look at China's predatory economic model before signing any deals,” he told reporters. ”The Chinese have a rapacious appetite for global domination.”

After leaving Italy on Sunday, Xi will travel to Monte Carlo and then on to Paris, where he will hold talks with French President Emmanuel Macron, German Chancellor Angela Merkel and European Union Commission President Jean-Claude Juncker.

Source: thehindu.com - Mar 22, 2019

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CPTPP to enable Vietnam to accelerate reforms

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is expected to help Vietnam continue speeding up its reforms in order to tap opportunities and deal with challenges from the deal.

Minister of Industry and Trade Tran Tuan Anh made the statement at a conference on the CPTPP and market development held in the Mekong Delta city of Can Tho on March 21.

According to Anh, an official study of the Ministry of Industry and Trade showed that economically, the CPTPP can help Vietnam's GDP and export expand by 1.32 percent and 4.04 percent by 2035, respectively.

Socially, the trade pact can help increase total job opportunities in Vietnam by 20,000-26,000 per year. The World Bank forecast the agreement to help Vietnam reduce 600,000 poor people by 2030.

In addition, cutting down non-tariff barriers to trade and investment in all CPTPP members will help ease business costs and risks in Vietnam and increase opportunities for enterprises to expand markets and diversify investment resources.

Minister Anh said the active participation, negotiation and signing of the CPTPP showed the unified policy of the Vietnamese Party and Government in international economic integration.

"The ministry has implemented solutions to expand markets, promote exports, strengthen import control and limit its trade deficit. It is formulating and submitting to the Prime Minister a scheme on handling international trade disputes, promoting implementation of key projects, and increasing the industry's production capacity to contribute to economic growth," he said.

He said verifying the origin of products is a basic requirement when exporting to foreign markets. The import markets have the right to select businesses and grant import permits. Management agencies need to improve the law to meet market demand. Meanwhile, enterprises need to accompany the State management agencies to orient the market and actively participate in expanding.

Luong Hoang Thai, Director of the ministry's Multilateral Trade Policy Department said CPTPP members committed to remove 78 to 95 percent of import taxes as soon as the agreement took effect. Many key exports such as agricultural products, seafood, shoes, garment and textiles, wooden products, electronics and rubber would enjoy zero tax immediately or three to five years later. "However, fierce competition requires careful preparation from local businesses when joining the CPTPP," Thai said.

To improve competitiveness of small and medium-sized enterprises (SMEs), he said that the Government needs to provide adequate information to SMEs, creating an equal business environment, satellite businesses and new regional supply chains.

Pham Tuan Anh, Deputy Director of the MoIT's Department of Industry said the industrial sector continued to play an important role in Vietnam's socio-economic development with key export products.

This result was partly thanks to opportunities from signed bilateral and multilateral free trade agreements (FTAs), contribute to market expansion, increase investment to expand domestic production, and boost export growth. "Participating in the CPTPP helps Vietnam multilateralise economic and trade relations, avoiding risks due to dependence on some big markets," he said.

The CPTPP would create opportunities for enterprises to export timber and wood-based products to boost exports when products such as plywood, picture frames, door frames and especially furniture which are subject to import duties of between 6 and 9.5 percent will be removed immediately.

With the textile and garment industry, the export tax rate on textiles and garments to markets that do not yet have a common FTA is currently above 10 percent on average. When the CPTPP took effect, Vietnamese garment and textile products which meet with common technical standards would enjoy a zero tax rate. The sector would be strengthened with competitive advantages in price. It is also a motivation for domestic and foreign investors to invest in developing raw materials and support industries in Vietnam. It would establish links in the garment and textile chain more effectively, creating a foundation for the industry to develop sustainably.

However, the CPTPP also poses many challenges, requiring Vietnamese enterprises to have thorough preparation as well as long-term strategies to improve competitiveness in the international arena.

Vu Duc Giang, Chairman of the Vietnam Textile and Apparel Association (VITAS), said there are both opportunities and challenges for the industry.

"In the industrial development programmes, attention should be paid to creating uniformity in investment and planning of enterprises in the industry into industrial parks to ensure environmental issues and labour safety standards as well as focusing on sustainable development, as these are requirements when bringing goods into the CPTPP market area," Giang said.

The conference, with the participation of more than 300 delegates from agencies, associations and businesses in 19 southern localities, aimed to resolve difficulties when joining the CPTPP and other FTAs.

Source: fibre2fashion.com - Mar 20, 2019

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Vietnam's south turns strong South Korean investment hub

South Vietnam has turned a major investment destination for South Korea in recent years, with statistics from the key southern economic region showing the latter has continually been among the top sources of foreign direct investment (FDI) capital there. The investment was mainly in industries like footwear, fibre, textile, electronics and machinery manufacturing.

In 2018, South Korea took the lead in investing in Dong Nai with about 40 projects worth over $234.2 million. It ranked second among foreign investors in Binh Duong with total registered capital of over $302 million.

The Binh Duong province administration recently licensed the Kyungbang Vietnam Co. Ltd to raise its investment capital by $40 million to boost production capacity to 9,000 tonnes of cotton fibres and 11,000 tonnes of blended fibres per year. With this, the firm's project now has a total capital of more than $219 million.

In late February, the Changshin Vietnam Co. Ltd began constructing a footwear unit worth $100 million in Tan Phu Industrial Park in the Dong Nai province. The plant will manufacture over 27 million pairs of shoes annually when it starts production in 2020.

This is the biggest FDI project in the province since the beginning of this year, according to a Vietnamese newspaper report.

The company with South Korean stake has two production facilities in the province's Thanh Phu Industrial Park, including a shoe sole painting workshop that has an investment of $4 million.

At a recent meeting with Dong Nai's authorities, South Korean vice consul general at Ho Chi Minh City Chung Minchul admitted a large number of firms from his country want to expand their investments in the province as they are operating profitably.

By 2018 end, Korean businesses had invested more than $2.7 billion into around 600 projects in Binh Duong, according to director of the Binh Duong provincial department of planning and investment Nguyen Thanh Truc.

The projects include Kolon Industries ($220 million), Kyungbang Vietnam Co. Ltd over $219 million), and Kumho Tire Vietnam Co. Ltd ($128 million).

Source. fibre2fashion.com- Mar 25, 2019

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Pakistan: Raw cotton export decreases 72.49pc in 8 months

The exports of raw cotton from the country during first 8 months of current financial year decreased by 72.49 percent as compared the corresponding period of last year.

During the period from July-February, 2018-19 about 9,446 metric tons of the raw cotton valuing US$ 15.284 million exported as against the exports of 33,697 metric tons worth US$ 55.549 million of same period of last year, according the data of Pakistan Bureau of Statistics.

Meanwhile, exports of cotton yarn also witnessed negative growth of 13.53 percent as about 284,652 metric tons cotton yarn costing US$ 743.405 million exported as against the exports of 323,595 metric tons valuing US$ 859.716 million of same period of last year, it added.

However, in last 8 months about 135 metric tons of cotton carded or combed worth of US$ 108,000 exported as compared the exports of 12 metric tons valuing US$ 5,000 of same period last year and grew by 2,060.00 percent, the data reveled.

It may be recalled that the textile exports from the country had witnessed an increase of 1.38 percent during the first eight months of the current fiscal year compared to the exports of the same period of last year.

The textile exports from the country during July-February (2018-19) were recorded at $8901.892 million compared to the exports of $8780.309 million of the same period of last year.

The textile products which had contributed in positive growth in last 8 months included knitwear, grew from $1741.699 million last year to $1939.553 million recorded growth of 11.39 percent The exports of bedwear also increased by 3.53 percent and reached at US$1529.960 million whereas the exports of tents, canvas and tarpaulin increased by 5.2 percent, from $60.001 million to $63.122 million.

The exports of readymade garments grew by 2.72 percent, from $1695.814 million to $1741.870 million and the exports of madeup articles increased by 2.12 percent, from $451.646 million last year to $461.236 million, the data revealed.

It is worth mentioning here that government was determined to boost textile sector exports by ensuring the quality cotton and set for producing about 15 million bales during the current crop season.

In this regard, the crop cultivation targets is likely to be fixed at over 8 million acres, adding that in Punjab, cotton crop would be cultivated over 6.25 million acres of the land while in Sindh province, the crop would be cultivated over 1.51 million acres.

Source: brecorder.com- Mar 22, 2019

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Pakistan gets $1bn Chinese market access for rice, sugar, yarn

The Chinese government has finally offered Pakistan market access for three commodities — rice, sugar and yarn — worth $1 billion for the current calendar year, an official in the Commerce Division confirmed to Dawn on Thursday.

The official said rice shipments to China have already begun as part of the deal which was agreed during Prime Minister Imran Khan's four-day visit to Beijing and Shanghai in the first week of November last year.

Under the agreement, exporters have been allowed to ship 200,000 tonnes of rice and 300,000 tonnes of sugar — total value of $300 million — to China in the ongoing calendar year.

Moreover, the agreement also includes preferential market access for around $700m worth of yarn but it seems highly unlikely that Pakistan will have adequate surplus quantity of yarn to export to China as cotton production remains lacklustre.

The Chinese authorities were unwilling to increase the total quantity of these items despite multiple requests, the official added.

Another Commerce Division official said exporters will only have nine months to avail the facility as it will expire by Dec 31, adding that the government is working to get access for wheat and other agriculture commodities as well.

Moreover, this agreement will also be extended to calendar 2020. Pakistan's exports to China are expected to reach $2.2bn in the ongoing calendar year and $3.2bn in the next.

Breakthrough in PCFTA

The official also said that a major breakthrough is expected in the stalled negotiations between Beijing and Islamabad on the second phase of Pak-China Free Trade Agreement (PCFTA) and the outcome will be announced on April 2.

He said a delegation led by the secretary commerce will leave for China later this month.

Sharing the progress made in PCFTA negotiations, he informed that Islamabad will get market access for 301 tariff lines, which will cover most of its exports and allow export of commodities which are currently negligible.

The PCFTA covers nearly 7,000 tariff lines at the eight-digit level of the HS code. Both sides reduced tariffs on almost 36 per cent of the tariff lines to zero during first three years of PCFTA's Phase-1.

Moreover, second phase was supposed to commence from the sixth year of the agreement ie 2013, but was delayed as officials from both countries failed to reach an agreement despite meeting for more than 11 times.

As per the initial agreement, at the end of PCFTA's second phase, both sides were to reduce tariffs on 90pc of the tariff lines to zero.

The negotiations on the Phase-II of PCFTA began in 2011.

Source: dawn.com- Mar 22, 2019

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NATIONAL NEWS

India one of world's fastest growing large economies: IMF

India has been one of the fastest growing large economies in the world, the International Monetary Fund (IMF) has said, asserting that the country has carried out several key reforms in the last five years, but more needs to be done.

Responding to a question on India's economic development in the last five years at a fortnightly news conference here, IMF communications director Gerry Rice on Thursday said, "India has of course been one of the world's fastest growing large economies of late, with growth averaging about seven per cent over the past five years."

"Important reforms have been implemented and we feel more reforms are needed to sustain this high growth, including to harness the demographic dividend opportunity, which India has," he said.

Details about the Indian economy would be revealed in the upcoming World Economic Outlook (WEO) survey report to be released by the IMF ahead of the annual spring meeting with the World Bank next month, he said. This report would be the first under Indian American economist Gita Gopinath, who is now IMF's chief economist.

"The WEO will go into more details. But amongst the policy priorities, we would include accelerate the cleanup of banks and corporate balance sheets, continue fiscal consolidation, both at centre and state levels, and broadly maintain the reform momentum in terms of structural reforms in factor markets, labour, land reforms and further enhancing the business climate to achieve faster and more inclusive growth," Rice said.

Source: thehindubusinessline.com- Mar 22, 2019

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Manufacturing in decline: An industrial note from the hinterland

As operations consultants, we visit prospective clients in several northern industrial towns to offer advice. Some of these businesses are doing well and want to do better. Many more are embattled manufacturers, overtaken by economic events. They feel, not without reason, that their businesses are in terminal decline. They see the need to change, but are locked into operational patterns that are hard to break and can turn the likely into the inevitable.

We visit a steel foundry. It is one of the larger foundries among its kind, with yearly revenues of Rs 100 million. The industrial shed is spread over 100,000 square feet, with two induction furnaces at one end and sand-casting and machining spread over the rest. In poor light, half-clad workers carry molten metal around in buckets, phosphorescent orange droplets flying in the air like miniature pyrotechnic displays.

The firm's largest selling products are steel castings for diesel generator sets. If there has been one casualty of improved electricity situation in the state, it is this industry. The owner says business has fallen 70% over the last five years, and he knows this market is going to wither away.

We remark that when the firm has little control over input costs and product pricing, one obvious source of relatively quick value creation would be improved productivity. The owner shrugs; he doesn't care how many workers are employed, how much inventory is locked into works in process, or what the rejection rates are.

He has outsourced the entire operation to a contractor, who is paid by the daily throughput tonnage, minus the rejections. How many men he uses, what their skill levels are, and what the machine utilisation is are the contractor's lookout.

But low productivity eats up value, whether in your books or the contractor's, we say. If we can get the contractor to be more productive, the value created could be split between him and you, we tell the owner. No, he says. We don't have the capacity to implement a plan like this.

The foundry's management consists of five people: himself, two accountants and two supervisors who have risen through the ranks by dint of the years they spent ferrying buckets of molten metal. They just track how many tonnes of raw material has passed through the furnaces in a day.

So, we have no control over processes, or the ability to change them, says the owner. The contractor does not care because he runs half the foundries in this town the same way and is quite satisfied. Besides, he too does not have the managerial muscle to affect any process changes. Things are running on momentum, and we cannot break that.

This seeming mindlessness has a pattern that repeats itself across industries like garments, paper and plastic products and chemicals.

For decades, the market demanded product of a certain quality and no higher. Labour was cheap, while skilled supervisors and managers were relatively expensive and hard to find (as they are now). The problem of finding capable supervisors is worse in smaller towns, as whatever talent our education and skilling systems produce is vacuumed up by larger industries in bigger towns.

The system of contracting out core operations made economic sense. A contractor who handles operations of multiple foundries has a scale unmatched by any single foundry owner. In low-quality, low-margin products, there is little value to be added through better processes.

There is demand for higher quality castings, acknowledges the foundry owner. However, to meet those standards, he must upgrade the furnaces, moulds, machines, skills and processes. And by now, new suppliers have sprung up around the big industries that demand complex, quality products. Breaking into that market will require capital and operational capabilities that he does not have.

All in all, he is reconciled with fading away. The jobs he creates today are low-skill, low-paying. The geese of the 'flying geese' paradigm (where an advancing economy, like the leading goose in a V-shaped formation, leads relatively backward economies towards ever higher technological levels, leaving older technologies to the followers) have flown past him.

That's why, when we envision an industrial future where SMEs (small and medium enterprises) create millions of jobs, we should discount much of our current SME base. For India's manufacturing aspirations to come true, we should consider not just how much we must 'add' to our SME base, but also how much of it will die and will need to be replaced. We should expect large geographical and sectoral shifts as India industrialises and finds its areas of competitive advantage, and prepare to deal with the consequent disruption.

There is little prospect of revitalising many of our existing SMEs even through policy intervention. Multiple government schemes (like the one that aims to address the productivity issue through lean manufacturing, where MSMEs can hire consultants with 80% of the fees being paid by the government) have made no dent, because they aren't entirely relevant.

The Indian Mittelstand will probably emerge from a new generation of manufacturing SMEs, ones creating complex, high-quality products, achieving scale by supplying to technologically advanced industrial clusters both in the country and outside it. The government would do well to keep this in view when allocating its capital and designing policies for development and promotion of SMEs.

Source: financialexpress.com- Mar 22, 2019

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Govt extends IGST, compensation cess exemption under various export promotion plans

EPCG is an export promotion scheme under which an exporter can import certain amount of capital goods at zero duty for upgrading technology related with exports.

Giving relief to exporters, the government has extended IGST (Integrated Goods and Service Tax) and compensation cess exemptions for goods procurement under certain export promotion schemes till March 2020.

These exemptions have been extended for exporters buying inputs domestically or importing for export purposes under export oriented unit (EOU) scheme, Export Promotion Capital Goods (EPCG) scheme and advance authorisation.

EPCG is an export promotion scheme under which an exporter can import certain amount of capital goods at zero duty for upgrading technology related with exports. On the other hand, advance authorisation is issued to allow duty free import of inputs, which is physically incorporated in export product.

The move was aimed at giving relief to exporters as they do not have to pay IGST at the initial point itself. In the GST regime, they have to pay the indirect tax and then seek refund, which is a cumbersome process.

In a notification, the Directorate General of Foreign Trade (DGFT) has said that exemption from integrated GST and compensation cess under advance authorisation scheme, EOU, and EPCG scheme of foreign trade policy 2015-20 "is extended up to March 31, 2020".

During April-February of the current fiscal year, exports grew 8.85 per cent to USD 298.47 billion, while imports rose by 9.75 per cent to USD 464 billion. The trade deficit has widened to USD 165.52 billion during the 11 months of the current fiscal from USD 148.55 billion compared to the year-ago period.

Source: financialexpress.com- Mar 22, 2019

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Textile exports face headwinds

Higher prices will add cost pressure on the value chain, making yarn, fabric and apparel exports less competitive.

Cotton prices have started rising at a time when the rupee is appreciating. It is a double whammy for textile exporters as it will impact the competitiveness of Indian products in the international market and hit price realisation in rupee terms.

Prices in the cotton futures market has moved up 7 per cent from the low of Rs 19,970 per bale (one bale is 170 kg) in February to Rs 21,360 in March on reports of improving demand from China and domestic mills.

"India has already shipped around 6,00,000 bales to China since October.

According to reports, Indian traders have signed contracts to ship 8,00,000 bales of cotton to China as prices have rallied in that country.

Moreover, cotton procurement by Cotton Corporation of India at minimum support price also helped prices to cross Rs 21,000 levels," Ritesh Kumar Sahu, Fundamental Analyst - Agri Commodities, Angel Broking.

The cotton output for this year is expected to be lowest in eight years due to delayed and deficient monsoon in some of the key cotton-growing states and lower acreage in some of the southern states.

"We expect the prices will move towards Rs 23,000 levels in next one to two months if El Nino weakens the monsoon this year. Moreover, increased export and off-season demand will also support prices," added Sahu.

Higher prices will add cost pressure on the value chain, making yarn, fabric and apparel exports less competitive.

Another major factor that can make Indian products less competitive in the international market is the movement of rupee.

A stronger rupee will shrink the revenues of exporters by lowering price realisation.

"The situation has been further aggravated by the appreciating rupee. Both higher cotton prices and the rupee movement are reducing international competitiveness of Indian value-added textile products and would hamper the improving export trend," said Sanjay Jain, Chairman of Confederation of Indian Textile Industry.

Source: deccanchronicle.com- Mar 25, 2019

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To tax or not? Govt makes last ditch attempt to save India-US trade package

US wants India to hold off on tariff increase, Govt won't press for GSP benefits to be reinstated

Less than a month before the country goes to polls, the government is pushing forward on the proposed India-US trade package to clear pending bilateral issues and leave behind the bad blood caused by America cancelling India's Generalized System of Preferences (GSP) benefits.

Keen to salvage its engagement with Washington DC that has gone southbound ever since the Trump administration came in, India has called for a final set of meetings with US trade officials, soon.

"The Prime Ministers office has directed that there be constant communication and a joint solution should be reached with the US," a senior government official said.

The package has been in the works for the past one year and trade officials have met as many as five times to hammer out a deal that provides an amicable solution to grouses from both sides. The package has been under negotiation for the last 8 months and includes mutual trade concessions across IT goods, aviation and oil purchases.

Talks came apart after the US last month cut off India's duty-free access to the American market under its largest preferential trade scheme, the GSP. Now, the US has hinted that India needs to hold off on its plans to raise tariffs on key imports from the country.

To tax or not

Senior Commerce Department officials are divided over whether to delay the announced tariffs. India has already deferred the imposition of higher duties on 29 key imports from the US, for an unprecedented six times.

Originally set to go live from June 28, 2018, the tariffs have been repeatedly postponed by the government and are now expected to take hold from April 1 as opposed to March 2.

Despite them being notified by the Central Board of Indirect Taxes and Customs, the tariffs have been postponed repeatedly. In response to an unilateral increase in steel and aluminium duties from India and other countries by the Trump administration, New Delhi had announced higher tax by up to 50 per cent on import of mostly agri goods like apples, almonds, walnuts and some industrial products.

The new taxes are proposed to rake in an estimated $240 million worth of additional taxes. Spread across sectors from which imports stood at $1.5 billion in 2017-18, New Delhi claimed the amount was equal to the estimated loss faced by India after the Trump Administration imposed a 25 percent extra levy on steel and 10 percent on aluminium products from many countries, including India in May, 2018.

TOP INDIAN EXPORTS TO US

	Rate of current import duty in US* (%)	Amount of Exports to US ($ Bn)	Total Exports from India ($ Bn)	Share of US bound exports (%)
Processed non-industrial diamonds	Free	7.36	22.54	32.65
Retail pharmaceuticals	Free	2.23	5.36	41.6
Gold jewellery set with diamonds	5.80	1.42	3.51	40.45
Frozen shrimps and prawns	Free	1.36	3.21	42.36
Light petroleum oils, preparations	7.0	1.16	3.46	33.52
India's total exports	**NA**	**42.21**	**275.85**	**15.3**

And those that have attracted Trumps ire

	Rate of current import duty in US*(%)	Amount of exports to US ($ mn)	Total exports from India ($ Bn)	Share of US-bound exports (%)
Iron & steel	Free	63	818	7.7
Articles of iron & steel	2.30	238	615	38.69
Aluminum & articles made from it	6	127.81	314.36	40.65

Note : Figures are for last full financial year for which data is available i.e 2016-17; *According to the Harmonized Tariff Schedule of the United States (2018) Revision 1.2 Source : Commerce and Industry Ministry

Package at cost of GSP

However, officials said the basic contours of the package has to be renegotiated as trade experts had said the earlier terms were favorable to the US without helping India.

New Delhi had considered the dismantling of its current price cap regime for coronary stents with a trade margin policy, and agreed to concede lower duties on import of certain information and communication technologies products such as high-end mobile phone and smartwatches from the US.

"Cheaper access to oil from Texas along with a broad range of trade concessions were offered by the American side.

But none of that was conditional on the GSP," another official said. The GSP benefits are lapsed and the government will not actively petition the US to change its position, he added.

“The (GSP) benefits in absolute sense and as a percentage of trade involved are very minimal and moderate,” Commerce Secretary Anup Wadhawan had earlier said.

India is also the only major trade partner, with which the US trade deficit has gone down consistently.

In an instance of supreme irony, annual trade figures released by the US trade authorities a day after Washington DC snatched away India's GSP benefits, showed its trade deficit with India to have shrunk to $21.3 billion in 2018.

In 2017, the US’ trade deficit with India was $22.3 billion, down from $24.4 billion in the previous year.

Source: business-standard.com- Mar 21, 2019

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India preparing to tackle Japan on proposed e-comm rules at G-20 meet

If G-20 declaration in Osaka talks favourably about global norms , the pressure on India and other non-participating WTO members will increase to join negotiations

India is preparing its arguments against framing of global rules on e-commerce and digital economy that Japan would want to be included in the G-20 declaration in Osaka in June .

“Japan has already indicated its intention to push for framing of global rules on e-commerce. Since it is the chair of the G-20, it is likely that Japanese Prime Minister Shinzo Abe will try hard to ensure that the declaration adopted at the end of the meet articulates the intention of all members to work towards a multilateral agreement on e-commerce,” a government official told BusinessLine.

New Delhi cannot allow e-commerce to be part of the G-20 declaration as it has been fighting hard to keep it off the negotiating table at the World Trade Organization. Although the announcement on launch of plurilateral talks on e-commerce between 75 countries was made at the World Economic Forum in Davos this January, India decided not to be even an observer at the talks.

In his speech at Davos, Abe had said that the G-20 meet in his country would seek to rebuild trust towards the system of global trade and would focus on areas such as e-commerce and intellectual property.

“If the G-20 declaration in Osaka talks favourably about global rules on e-commerce, the pressure on India and other non-participating members of the WTO will increase to include themselves in the negotiations. This is how the developed world behaves. It raises and makes a point about an issue at the G-20 and later tries to get it accepted at the WTO,” the official said.

Indiahas a clear and unwavering stand on the matter. At a meeting on e-commerce last October at the WTO, India’s representative reportedly stated that developing countries cannot take on global commitments as they needed policy space in areas such as ownership and use and flow of data in sunrise sectors like cloud computing and data storage.

The Centre has floated a draft e-commerce policy which has not gone down well with foreign players such as Amazon and Walmart as it puts a number of restrictions on their operations. It has suggested that all e-commerce websites should have a registered business entity in India and all product shipments from overseas must be channelised through the customs. It is also categorical that FDI should be encouraged only in the marketplace model.

India's e-commerce market, currently valued at about $ 27 billion, is one of the fastest growing in the world.

Source: thehindubusinessline.com- Mar 24, 2019

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Parallel tracks on trade ties

Economic diplomacy can still prevent the removal of the U.S.'s trade benefits to Indian exports

Could it be that the strained trade relations between India and the U.S. are an outcome not of the U.S.'s domestic politics but of India's? The timeline of U.S. President Donald Trump's decision to rescind the benefits Indian exports enjoy under the Generalised System of Preferences (GSP) programme is revealing.

E-commerce rules

It begins with the change in foreign direct investment (FDI) rules in India. The tightened norms that came into effect on February 1 place several restrictions on e-commerce companies, including Walmart-owned Flipkart and Amazon.

The unexpected changes came after Walmart, the world's largest retailer, paid over $16 billion to acquire Flipkart last May. To raise the resources needed, Walmart put one of its biggest international operations, Asda, on the block for $10 billion.

The calculations behind the $500 billion retail giant's investment in India have gone awry after the change in the FDI rules. The Walmart family are close friends of Mr. Trump. On February 20, Walmart CEO Doug McMillon said the company was disappointed that New Delhi had changed the FDI rules without consultation and hoped for a more collaborative process going forward. Days later, on March 4, Mr. Trump notified Congress of his intention to slap punitive action on India by ending preferential treatment for the country's exports.

Walmart has a reputation for killing small retail businesses with ultra-low prices, a concern that influenced New Delhi's decision to tighten the FDI rules. While the FDI policy might be irreversible, economic diplomacy can still defuse the situation and prevent the removal of the GSP benefits that will not take effect for until at least 60 days after the notifications to Congress and the Indian government.

The simmering tensions go back to April 2018 when the United States Trade Representative (USTR) launched a review of New Delhi's eligibility for the GSP programme. Tensions escalated in June, as New Delhi, in response to Washington's 25% tariff hikes on steel and 10% levies on aluminium, immediately accused it of unfair trade practices, and, seeking to signal a muscular approach, threatened retaliatory tariffs on $235 million of U.S. imports.

Bilateral talks since then have failed to ease tensions and India now stares at losing the GSP benefits. Foreign Secretary V.K. Gokhale returned empty-handed from Washington recently.

India's GSP status came under review after the U.S. medical and dairy industries complained that New Delhi is not providing them "equitable and reasonable access to its market". India's data localisation policies deepened the rift.

New Delhi's use of price control measures against imported drugs and medical devices has grown noticeably. Cardiac stents were put under price controls in February 2016 and knee implants attracted similar action in August 2017, after which trade margins for many medical devices are sought to be capped.

U.S. manufacturers complain that in doing so, New Delhi has meted out differential treatment to them vis-à-vis domestic players.

For domestic companies, the price to distributors is considered while in the case of global manufacturers the base proposed is the landed costs of imports. The U.S. medical device industry wants price controls on cardiac stents and knee implants withdrawn and would like products to be treated on parity with domestic medical devices through a trade margin rationalisation regime.

New Delhi has preferred to act against unreasonable price mark-ups through price controls when exactly the same outcomes can be achieved through other types of policy alternatives. The USTR is right in pointing out that price capping counts as a trade barrier. New Delhi can easily address the concerns by replacing price controls with trade margin rationalisation measures, applying them equally to domestic and foreign manufacturers.

India is the largest beneficiary of the GSP, the largest and oldest U.S. trade preference programme. The GSP is aimed at promoting economic development by allowing duty-free entry of products from designated beneficiary countries. Nearly 4,800 different goods from 129 designated countries enjoy duty-free access under the programme.

The immediate loss for India is preferential access at zero or minimal tariffs to the U.S. in case of about 1,900 products, or about half of all Indian products.

New Delhi has downplayed the impact of the proposed withdrawal of benefits, saying exports worth $190 million only are likely to be affected and that the tariff advantage was 4% or more on only 2,165 of a total of 18,770 tariff lines.

Estimating losses

This is an underestimation. The loss to the economy would be much larger than what the Department of Commerce is projecting. While it is true that the actual tariff advantage from the programme works out to a meagre $190 million, which is just 0.4% of the total Indian exports to the U.S., the actual loss will not be limited to the immediate tariff advantage.

Indian exporters are competing for market share in the U.S. with other low-income countries in industries where margins are wafer thin. Even minor price hikes can drive significant drops in export volumes. In which case, losing GSP access will be costlier than the projections.

Among price-sensitive products eligible for higher GSP benefits that risk losing out to competition from other countries are processed food, leather products, plastic products, building materials, tiles, hand tools, engineering goods, cycles and made-ups such as pillow/cushion sleeves and woven women's apparel.

Many of these are the very industries the new e-commerce FDI rules seek to protect.

Source: thehindu.com- Mar 24, 2019

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Textile output to be hit as thousands of workers go on vacation

Man-made fabric production in the country's largest polyester hub in Surat is expected to be hit as more than three lakh workers had left the city for celebrating Holi and Dhuleti festivals in their hometowns in North India.

Ashish Gujarati, leader of power loom sector, said every year, workers move out of the city to celebrate Holi and Dhuleti festivals with their family members in their native villages. This time over three lakh workers have left the city, unlike 1.5 lakh going every year. This will hit production of polyester fabric in the city.

Jitu Vakharia, president, South Gujarat Textile Processors' Association, said, "Over 70,000 workers had left the city for celebrating Dhuleti festival and majority of them will now come only after June.

This will create a huge backlog of work in textile dyeing and printing mills. We have asked contractors to ensure that the workers are present in the mills before May."

Ashok Jirawala, president, South Gujarat Power loom Association, said, "Every year workers leave to celebrate Holi festival with their families back home.

But this time, huge number of workers have left the power loom weavers in the lurch. The weavers are staring at huge production loss ahead of the summer season."

Source: timesofindia.com- Mar 23, 2019

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GHCL launches innovative wellness products

GHCL has launched Nile Harvest, a range of completely-traceable Egyptian-cotton bedding collection and Meditasi — a collection of health and wellness bedding.

The products were introduced at the New York Home Fashions Market Week, said Manu Kapur, President and Chief Executive, GHCL (Home Textiles).

Speaking about the launches, Kapur explained that the Nile Harvest range, which is mainly for the US and UK markets, uses proven technology from Tailorlux Gmbh, Germany, to establish the source and e traceability of cotton from gin to store.

A machine-readable optical security marker is injected at the gin, — a customised optical finger print— which is readable by smart lock-and-key sensors.

The process includes IoT integration of all traceability data throughout the supply chain. Meditasi, the firm's new bedding collection is being introduced in nine innovative ranges, he said.

Source: thehindubusinessline.com- Mar 22, 2019

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