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USD 66.64| EUR 81.44 | GBP 93.12 | JPY 0.61

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19601	41000	**78.66**

Domestic Futures Price (Ex. Gin), April

Rs./Bale	Rs./Candy	USD Cent/lb
20520	42923	**82.35**

International Futures Price

NY ICE USD Cents/lb (May 2018)	81.51
ZCE Cotton: Yuan/MT (Jan 2018)	14,920
ZCE Cotton: USD Cents/lb	**91.61**
Cotlook A Index – Physical	**92.2**

Cotton guide: Cotton price snapped biggest loss of more than 3% on Tuesday since 10th August 2017. That was the day when USDA had projected higher crop for the year 2017-18 US production at 20.0 million bales against the major consensus expectation of 19 to 19.50 million bales. The most active July future lost ground to end the session at 81.51 cents per pound while other contracts were also in the similar suit but the percentage of loss are dissimilar.

We do not find any strong reasons related to cotton for it to decline so much on Tuesday in a single trading session. We feel either technical sell off that it failed to hold strong above 85 cents so corrected down sharply or the US dollar index moving higher to 4 months and high amid US-10 yr. bond yield breaching 3% making overall sell off in commodity asset class.

In other perspective with the massive sell off there has been slight uptick in both aggregate trading volume and open interest from its recent decline in the trend. This indicates unless any fresh news flows in the market the ongoing correction in the price could be continued. The only positive news that perhaps may help cotton to revive is the dry condition in the US Texas region.

The forecast of rain happening in the last week has also been proved incorrect and has disappointed cotton growers in the region. We believe further worsening of crop condition amid no enough rain might help cotton price to rebound. As of now we see market holding strong technical support near 81 cents for July future which also coincide with 23.6% retracement support of the price rally began from September 2017 to until date. Note, any break down below 81 cents would tear down price to go towards 79 cents. As of now we place 84 as key resistance level lowering by 1 cent from previous estimate of 85 cent as key resistance point.

On the domestic front, first of all the Cotton future for April contract on Tuesday plunged to end the session at Rs. 20520 per bale down by 1.60% from previous close. The fall in the future contract was relatively more than the spot price. The spot price fell marginally but the future contract has taken cues from both domestic spot trend and declining ICE future trend.

Also as per the parity the difference between domestic spot and future hold around 3.70 cents which has considerably declined amid fall in the future contract at the MCX platform on Tuesday. And, the domestic future contract is still trading more than 1 cent vs. ICE July future.

Therefore we believe to bring the market into equilibrium the price correction in the April contract at MCX is expected to be higher in the near term. As per technical chart the April contract has support at Rs. 20300 while 20780 will be considered as strong resistance level.

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

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INTERNATIONAL NEWS

Trade war: Aimed at China, Donald Trump's tariffs are threatening jobs, profits in America

President Donald Trump's escalating dispute with China over trade and technology is threatening jobs and profits in working-class communities where his "America First" agenda hit home. The Commerce Department has received more than 2,400 applications from companies seeking waivers from the administration's tariffs on steel and aluminum imports, which may result in duty payments of millions of dollars for larger businesses.

The department has begun posting the requests online for public comment; several of the applications released so far suggest deep misgivings with Trump's protectionist strategy, especially in areas where he won strong support during the 2016 election.

The tariffs are aimed primarily at China for flooding the global market with cheap steel and aluminum. But they've also led to confusion and uncertainty, according to Associated Press interviews and a review of records. In Oklahoma, Texas and Wisconsin, for example, businesses operating in the furniture, energy and food sectors have outlined the financial difficulties they'd face if they're not excused from the steel tariff. In Okmulgee, Oklahoma, dozens of jobs hang in the balance as office furniture giant Steelcase waits to hear back from the Commerce Department.

A Steelcase subsidiary, PolyVision, operates a plant in Okmulgee that uses a special type of steel from Japan to manufacture a durable glass-like surface for whiteboards and architectural purposes. PolyVision "cannot and will not be able to procure" from U.S. companies the cold-rolled steel it requires "in a sufficient and reasonably available amount or of a satisfactory quality," Steelcase said.

Trump won most of the votes cast for president in Okmulgee County. Without a waiver, Steelcase warned, the "economic viability of PolyVision (and) the small town of Okmulgee" would be jeopardized. The waiver request also indicates that a $15 million plant expansion may be at risk.

Steelcase and PolyVision are on the verge of making the investment, which would create new construction and manufacturing jobs, according to the request.

Roger Ballenger, Okmulgee's city manager, said he and other local officials are "very concerned about the situation with PolyVision." The tariffs _ 25 percent on imported steel and 10 percent on imported aluminum _ are designed to protect and rebuild the U.S. companies that manufacture the metals.

The U.S. temporarily exempted several major trading partners, including the European Union, Mexico and Canada. China, which was left on the target list, retaliated by imposing tariffs on $3 billion in U.S. products, including apples, pork and ginseng.

Trump responded by adding more protectionist measures as punishment for Chinese theft of U.S. intellectual property. And Beijing punched back by proposing tariffs on $50 billion in U.S. products including small aircraft and soybeans _ a direct threat to rural areas that were key to Trump's victory. John Hritz, CEO of JSW Steel USA in Baytown, Texas, said his company is in lockstep with Trump's approach. "We're in favor of growing the steel industry in this country," Hritz said. JSW Steel, owned by Indian conglomerate JSW Group, is embarking on a $500 million overhaul of the plant that it says will create hundreds of jobs.

The growth would be welcomed in Baytown, where unemployment is 9.8 percent, more than double the national rate. Baytown is located partly in Harris County, which Democrat Hillary Clinton won, and partly in Chambers County, which Trump handily won. The future is much murkier for another Baytown steel business, Borusan Mannesmann Pipe. Without a waiver, Borusan may face tariffs of $25 million to $30 million annually if it imports steel tubing and casing from its parent company in Turkey, according to information the company provided to the AP.

Borusan said the Baytown production line would no longer be competitive and "jobs would be threatened" if it cannot import 135,000 metric tons of steel annually over the next two years. The pipes Borusan produces are used primarily as casing for oil and natural gas wells.

But if Commerce says yes, Borusan will be able to unlock a $25 million investment in the Baytown facility as it seeks to become a “100 percent domestic supplier,” according to the waiver request. An additional $50 million expansion in pipe fabrication capacity would follow, the company said, leading to as many as 170 new jobs.

Seneca Foods Corporation, the nation’s largest vegetable canner, said in its waiver application that it’s unclear, at best, if U.S. suppliers have the ability or willingness to expand their production in the long term to meet the company’s annual demand for tinplated steel.

But “clearly they cannot meet demand in the short term,” Seneca told Commerce officials. That means Seneca has to buy a portion of what it needs from overseas.

A person with knowledge of Seneca’s situation said the company would face a $2.25 million duty if the Commerce Department doesn’t approve its waiver request for 11,000 metric tons of tinplate it already agreed to purchase from China.

The material is to be delivered this year and next, according to the waiver request. The person was not authorized to speak publicly and spoke to the AP on condition of anonymity.

Seneca said it employs more than 400 people at can-making facilities in Wisconsin and Idaho and near its headquarters in New York’s Wayne County, where Trump bested Clinton.

The company doesn’t warn layoffs are imminent if the waiver isn’t approved. Instead, the tariffs would likely come out of Seneca’s bottom line, the person said.

Source: financialexpress.com- Apr 24, 2018

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Egypt: Retailers back up CEA's cotton accreditation process

Major retailers have voiced their support for the Cotton Egypt Association's (CEA's) drive to rid the supply chain of falsely labelled Egyptian cotton goods. CEA has started a new rigorous accreditation process and ability to DNA test products. Egyptian cotton fibre is one of the best cotton in the world because of its length, strength, and softness.

Manufacturers who do not meet the new criteria will no longer be licensed to produce Egyptian cotton products or use the trademarked logo.

John Lewis category technical manager, home, Tracy Saunders said, "We support the measures being taken by the CEA to root out dishonest manufacturers and counterfeit goods from the supply chain and have welcomed the opportunity to work in collaboration with the CEA in setting out requirements to assure the provenance of Egyptian cotton product."

Catherine McCann, Dunelm technical and sourcing director said, "We fully support the new accreditation process put into place by the CEA to protect the Egyptian cotton brand, and will be continuing to insist suppliers meet those standards as a condition of trade with Dunelm."

Khaled Schuman, executive director of the CEA said, "We welcome the support from these key retailers. Their support and confidence in the process is what we need to overcome the spectre of falsehood, which has sought to tarnish the Egyptian cotton brand name.

Our goal is to bolster confidence, assure retailers that they will not encounter any compliance issues and reclaim Egyptian cotton as the ultimate luxury cotton brand."

The CEA has also partnered with leading testing and verification body, Bureau Veritas. The process, which has been endorsed by several academic and professional bodies, works by extracting DNA from cotton fibres, yarns, woven, knitted, fabric, or finished apparel.

This can then be used to identify the origin and source of the fibres and the percentage of genuine Egyptian cotton in a product. Only manufacturers found to be producing 100 per cent Egyptian cotton goods will receive the accreditation.

Source: fibre2fashion.com- Apr 24, 2018

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US view of trade with Africa offers opening for China

In March, the US announced the termination of Rwanda's zero-tariff treatment under the African Growth and Opportunity Act (AGOA) for 60 days, until Rwanda lowers tariff barriers to used clothing imports from the US.

This move shows that the administration of US President Donald Trump has begun to look at Africa based on its preference for bilateral trade agreements. The AGOA was extended in 2015 and will expire in 2025, so Trump could not ask Congress to repeal it, but his inclination to further weaken the bill's aid-for-trade component has been very clear. A vast number of African countries will face a more severe development process under the US "trade equivalence" stick.

The AGOA, as its name suggests, was intended to enhance Africa's growth capabilities as a way to create more opportunities for trade with the US. Among the 6,000 kinds of duty-free goods, the clothing industry is the main concern of African countries.

This is because most African countries have only developed garment industries with low technical content and labor-intensive production, because of long-term political turmoil, infrastructure problems and marginalization.

Based on this situation, previous US governments have fixed "third-party clauses" through four rounds of adjustments to the bill - that is, allowing African countries to use fibers produced by third countries, especially raw materials for cheap clothing produced in Asian countries. This has had a very positive effect on trade capacity in African countries.

First, it allowed Africa to expand exports to the US. The AGOA has long had strong support from both US political parties. Policymakers and trade officials noted that continued value creation of African products exported to the US has been the proof of its success.

In the 10 years since the program began, exports of AGOA countries to the US increased by nearly three times, from $22 billion to $61 billion. Despite the sharp decline in non-energy imports by the US, the US quadrupled its non-service trade with Africa, compared with 2000.

Second, it allowed Africa to increase production capacity. The AGOA led to a surge in apparel production in Africa. For example, Kenya emerged as a garment center, and Ethiopia committed itself to creating an African garment processing center. Senegal invested $425 million to revive the national textile mill that had been closed for 15 years.

The AGOA has also helped several African countries achieve economic diversification. For example, South Africa's automotive vehicles, parts, and engines exports to the US increased from $571 million in 2003 to $1.4 billion in 2017.

Third, the AGOA helped Africa create jobs. An American business expert, Fred Oladehinde, said the AGOA plan was to reduce unemployment through the creation of 20 million jobs in Africa annually, according to a report on AGOA.info last year.

This has also correspondingly increased the influence of the bill on African governments, because if they lose the status of being an AGOA beneficiary, they will inevitably suffer from large-scale unemployment and social unrest.

Although the AGOA was originally designed to promote trade for Africa, it also strengthened the interdependence of US-Africa economic and trade relations, and the US also obtained tangible economic benefits. In 2014, the US reassessed the AGOA, noting that the bill had greatly promoted the growth and diversification of US imports from Africa.

At the same time, the AGOA allowed trade-aid channels to promote better governance in African countries. For example, Madagascar's beneficiary status was cancelled by the US because of a military coup in 2009, leading to high unemployment in that country.

The government was unable to withstand the economic losses and was forced to resume holding elections.

Similarly, countries like Mauritania, Cote d'Ivoire, Guinea, Niger and Mali that have failed to meet US requirements for democratization have been disqualified from being a beneficiary country, and these countries were allowed to rejoin the AGOA after reforms.

In another example, Uganda passed legislation against homosexuality in 2014, and the US Congress immediately called on the government to wield the AGOA stick.

However, in the case of Rwanda, the Trump administration imposed tariff barriers on its secondhand clothing exports and withdrew the country's AGOA's eligibility status.

This has clearly deviated from the original intention of the AGOA's policy design and has caused panic among African countries, especially the least-developed ones.

Africa's duties on secondhand clothing fully demonstrate the continent's ambition to become the next "world factory" and to protect its own clothing industry.

The Trump administration has continuously reduced its aid budget for Africa and gradually moved to a stance of aid for trade, which has diminished the outlook for African countries' development financing.

China should study and improve its aid to Africa and build a community of shared future with the continent.

Source: globaltimes.cn- Apr 24, 2018

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EU signs duty-free with agreement with Mexico

The European Union and Mexico have reached a new agreement on trade, part of a broader, modernised EU-Mexico Global Agreement. Practically all trade in goods between the EU and Mexico will now be duty-free, including in the agricultural sector.

Simpler customs procedures will further benefit the EU's industry, including in sectors like pharmaceuticals, machinery and transport equipment. The agreement also lays down progressive rules on sustainable development.

Among other things, the EU and Mexico have committed to effectively implement their obligations under the Paris Agreement on climate change.

It will also be the first EU trade agreement to tackle corruption in the private and public sectors.

With this agreement, Mexico joins Canada, Japan and Singapore in the growing list of partners willing to work with the EU in defending open, fair and rules-based trade.

Since the previous EU-Mexico trade agreement came into force in 2000, trade between the EU and Mexico has risen at around eight per cent per year, resulting in an overall increase of 148 per cent in trade in goods over the period.

Agricultural exports from the EU are set to benefit the most, such as poultry, cheese, chocolate, pasta, and pork.

When it comes to customs procedures, the new agreement will bring in new rules to simplify and speed up paperwork and physical checks at Mexican customs.

Source: fashionatingworld.com- Apr 24, 2018

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Germany: Heimtextil to increase exhibition space, reduce distance

With interest from a large number of major domestic and international players of the textiles industry, Heimtextil will be undergoing radical changes in 2019 by increasing the exhibition space and shorter walking distances. The world's leading trade fair for home and contract textiles is scheduled to kick-start from January 8 in Frankfurt.

"In the last few weeks, we have received positive feedback from our exhibitors on the new trade fair concept, which, above all, strengthens our resolve to arrange themes and product segments to attract the respective target groups.

We can shorten walking distances in this way and make optimal use of synergies – all to the advantage of the fair's visitors," said Olaf Schmidt, vice president, Textiles & Textile Technologies, at Messe Frankfurt, organiser of the fair. The organisers are also buoyed up by the high number of early registrations for Heimtextil. "The number of registrations is already on a par with that of the last event."

"There are fantastic opportunities in Heimtextil's new approach: it's the Heimtextil of shorter walking distances. The most important thing for us is to offer our trade buyers a sector-focused exhibition that benefits all exhibitors. At Estella, we're looking forward to the new Hall 12, the new approach, and many, many customers at Heimtextil 2019," Michael Mosch, CEO of Estella Ateliers, an exhibitor, said

The world's largest range of upholstery and decorative fabrics will be further enlarged and showcased now on all three levels of Hall 4. Architects, interior designers and hotel-furnishing specialists will find potential business partners and material solutions in Hall 4.2, in particular.

With Trevira, Heimtextil will be welcoming a pioneer in flame retardant textiles. "After our successful participation at Heimtextil in 2018, we will be offering our Trevira CS customers a platform again next year on our joint stand in Hall 4.2. We are confident that we will be able to increase the number of partners exhibiting on our stand, thus expanding our overall presence", said Klaus Holz, CEO,Trevira.

Dirk Hammes, who is responsible for marketing, purchasing and sales at Leder Schreyeck, is also looking forward optimistically to the next Heimtextil and his company’s appearance for the first time in Hall 4.2. "We are expecting a lot from the new concept, because it will appeal directly to our main target groups, for example architects and interior designers for the hotel and catering trade. They’ll make a point of visiting Hall 4.2."

The newly planned Hall 8.0 promises strong synergies for buyers. Interior designers and decorators will find all the products relevant to them here – from curtains and decorative fabrics, to carpets, curtain poles and sun screening products. "I am pleased to see the two sectors, interior sun protection and curtains/decorative fabrics, appearing together at last at the fair in 2019, because their objectives are the same: to design a window on the inside in a practical and decorative way”, says Hendrik Unland, CEO of the company of the same name.

Unland will be putting textile living trends on show, together with other partners in the decorative team. In particular, visitors from the German specialist retail and handicraft trade will benefit from the new hall layout. "An optimal structure awaits fair visitors from Germany, enabling them to do their purchasing quickly - it will provide a really compact overview of the trends and innovations in the sector," Unland added.

Heimtextil 2019 will be focusing on 'Sleep' as a major lifestyle and wellbeing theme. A competence centre entitled 'Smart Bedding' will be set up on the theme of 'healthy sleep'. It will be aimed particularly at the specialist bed retailers target group, who will be able to enjoy shorter walking distances in future.

"The distances that the fair has devised have been shown to be logical and workable. This is corroborated by our customers. We are sure we’ll have a positive visitor turnout again in 2019 - this time in Hall 11 - and we are already looking forward to the event," Stefan Sickenberger, sales manager, f.a.n. Frankenstolz, said.

Source: fibre2fashion.com- Apr 25, 2018

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Pakistan: Opening of banking channels: Trade with Iran can go up to $1-2 bn: minister

Federal Commerce Minister Pervaiz Malik is hopeful that with the opening up of formal banking channels in near future, trade with Iran will achieve 1-2 billion dollar mark.

“State Bank of Pakistan (SBP) has assured us that formal banking channel will be open soon. And we will have Iran as a good trading partner and market in our neighbourhood,” the minister told The News in an interview.

“We can trade with Iran with the already existing roads, or rail route and even through air cargo. But the major hurdle till this date was a formal banking channel, and with this opening we will have a good market to build our trade relations,” he added.

“Similarly we are negotiating with Afghanistan to resolve bilateral trade issues. We hope with Iran and Afghan trade prospects, we will be able to streamline our trade in the region,” Malik said, giving credence to estimates of some economic experts who eye multi-billion dollar trade potential Pakistan can have with Iran and Afghanistan. “CPEC has the potential to connect both countries in the future if and when hurdles are removes,” he added.

On a broader level, the commerce minister said the country needs to reduce cost of input for industry, adopt fast-track ease of doing business, adding that he has presented his suggestions at the right foras.

An old guard of the ruling PML-N, Malik has been returning to the National Assembly as a legislator since 1996. He holds the key position of party’s Lahore president. Although considered to be in the inner circle of the Sharif family, Malik prefers to keep a low profile in media.

A businessman by profession, he was entrusted with the Commerce Ministry last August, but he is confident to leave the ministry “in the right direction and with the sound base” for the caretakers this June, and the next government.

He hopes Pakistani exports would touch a mark of US dollar 23 billion at the end of this fiscal, but still the import/export deficit will remain at a staggering US dollar 34 billion figure.“In all likelihood, the PML-N will be able to stage a return in federal government after the next elections, and we will take the present policies forward,” he hoped, as some political analysts forecast a hung parliament owing to multiple political/administrative reasons.

Asked whether the country has been able to fully exploit potential of European Union’s Generalised system of Preferences (GSP-plus) status for Pakistan in terms of exports, the minister said, “Yes. Only in the last year our exports to EU increased by 47 percent compared to preceding year. God was very kind. Recently, we have been able to get the GSP-plus status renewed for another two years. I term it as a good achievement as there were fears that renewal could hit snags on issues like human rights violations, non-tariff barriers etc.”

He said, “After Britain’s exit from the European Union(EU) we have been assured by the British government that our trade interests won’t hurt as they will make sure an alternative arrangement is in place to facilitate Pakistan’s trade.”

On overreliance on textile and related industry and lack of expansion of country’s export base, Malik said, “We are doing all right in industrial growth and large scale sector, but struggling on small and medium scale enterprises. We will have to facilitate these vital sectors to increase the export base.”

“Pakistani exports suffered due to international recession in years 14-15. So it was a global phenomenon. And then our industry was hit hard by 8-10 hours long power outages. Our economy suffered as a whole in those years. We have picked up on account of fruit and vegetable production,” he said.

“East Asian and other countries devalued/adjusted their currencies against the US dollar at appropriate times in the past. There was a big difference in their cost of production as compared to Pakistan’s. We need to decrease our cost of production and make our goods competitive for international market,” he asserted.

He said, "If we don't want to toe the devaluation trend, we will have to decrease our input cost for production, like waiving off extra charges on electricity etc. We have abundant human resource, skilled labour, raw material to make abundant exportable goods."

He pointed out 62 percent of country's exports were based on textile, and still it had to import cotton. "We will have to increase our cotton production as we didn't do anything substantial for massive production despite having research stations at our disposal.

On the sugarcane front, over production is affecting our growers and factories alike. In the situation at hand, either sugar mills would have to halt production, or the growers would switch to some other crop, or they will have to be given a price that they could sustain and increase productivity. They should be enabled to have competitive selling price and decrease input cost. Similarly, there is over production of wheat in our market. We need to make our wheat competitive for international market."

He went on to explain the sharp dip in exports country underwent from 2014-16 period. "We went through a crisis time as far as exports are concerned in that period. But now the wheel is turning. In this March, our exports were the highest in 10 year figure for a month. For the last 8-9 months, exports are gradually picking up and registering an increase of 10 to 12 percent every month on an average," he said.

He said, "All this was achieved primarily due to the incentive package announced by former premier Nawaz Sharif. Premier Shahid Khaqan Abbasi further fine-tuned the whole thing to make it pro-business. We have streamlined electricity supply to industry, adjusted Ruppee-Dollar parity, made sure prompt refunds for better cash flow. Through better marketing and introduction of new products we have started diversifying our export base. I have recommended that we should go for further measures for decrease the cost of production to boost exports," he said.

Regarding imports, he said, "Imports are important and difficult. We have to curtail imports to decrease our current account deficit. In our case, fuel and machinery imports account for major bill of imports. So we imposed regulatory duties on selective products of imports and it made some difference. Still the fiscal deficit on account of imports/exports is expected to be US dollar 34 billion at the end of the year."

On reviving industry and exports, he said, “We are improving FTAs. We are making facilitation of products easy on ports, clearance and travel. We have sent business delegations abroad on a massive scale, and a number of foreign delegations have come to Pakistan. We have gained immensely from such exercise in terms of exchange of information and orders. All these measures are increasing our exports.”

Source: thenews.com.pk- Apr 25, 2018

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US share in Vietnam’s cotton imports dips

Vietnam’s overall cotton consumption in 2018-19 is expected to grow 6.6 per cent year on year. The country’s demand for cotton, and import requirement, is of importance in particular to exporters in the US, the major origin of Vietnamese purchases for nearly a decade.

The US share of Vietnamese cotton imports this season is forecast at 51 per cent, a little down from the 54 per cent in 2016-17, thanks to tough competition from other major cotton suppliers. The US share of imports in 2018-19 is seen as returning to 54 per cent.

Further, CPTPP will offer an opportunity for Vietnam’s textile and garment industry to grow in the coming years. Increased export revenue can be expected from Canada, Mexico, and Peru, the three CPTPP members with which Vietnam does not yet have a free trade agreement. Growth in cotton imports by Vietnam will slow to a seven-year low next season. Vietnam is the world’s second-largest buyer of the fiber.

In the five years to 2016-17, annual growth in Vietnamese cotton imports averaged 28 per cent, making the country the second-ranked buyer, behind only Bangladesh. The lower growth rate expected for next season is attributed to factors including a broader market slowdown. Another factor is a slowdown in investment in the country’s spinning sector.

Source: fashionatingworld.com- Apr 24, 2018

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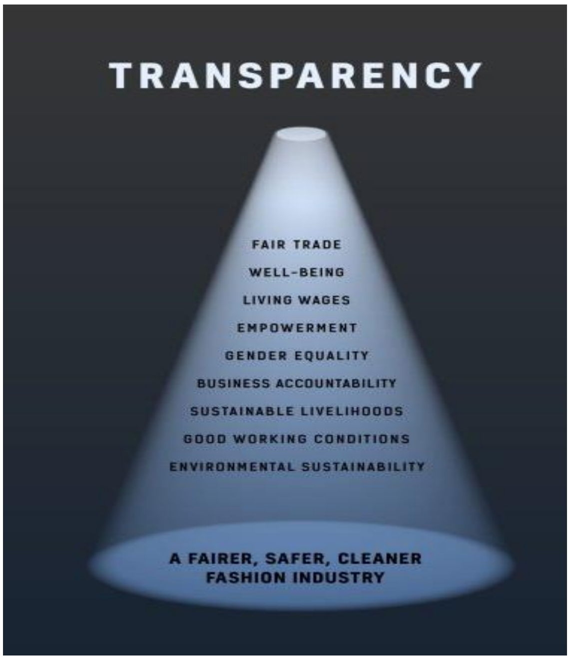
Adidas and Reebok have topped a ranking of brands' social and environmental transparency

Sportswear might traditionally have had a bad rap when it comes to exploitation and unethical textile practises, but it's athleisure labels who are topping Fashion Revolution's Fashion Transparency Index.

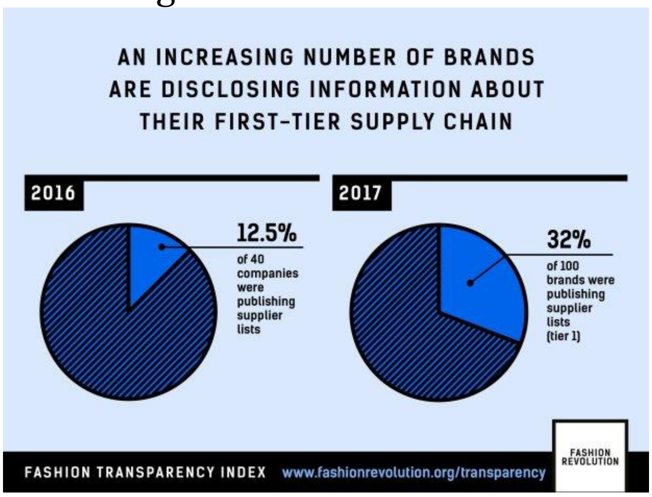


Puma follows the other two brands in the list of 150 major global companies and brands, which looked into environmental and social commitments.

Although Fashion Revolution found improvements across the industry (of 5%), it said that most companies still operate in broadly the same way that enabled the 2013 Rana Plaza factory collapse in Bangladesh.

The Rana Plaza disaster saw 1,000 workers die and the launch of this index marks the anniversary of the factory's collapse.

Only 55% of brands published measurable, timed goals on improving their environmental impact, while less than 40% published goals on improving human rights.



Carry Somers, Fashion Revolution global operations director, says: 'Over the last five years, millions of consumers have demanded a fairer, safer, cleaner industry. It's working. We can see that brands are listening and the industry is starting to change.

'We're calling upon the global fashion industry to turn its commitment to responsible sourcing into effective action this Fashion Revolution Week.

'Too many people working in the fashion industry, mostly women, are still underpaid, unsafe and mistreated. It's time for change.'

Puma, H&M, Esprit, Banana Republic, Gap, Old Navy, C&A and Marks & Spencer followed Adidas and Reebok in the ranking, all scoring within between 51% and 60% out of a possible 250 points.

Asos just missed out on a top 10 place, with the campaign saying that the company had significantly increased its level of disclosure over the past year.

Levi Strauss, The North Face, Timberland, Vans, Wrangler, G-Star, Tchibo and Bershka, Massimo Dutti, Pull & Bear, Stradivarius and Zara all scored within the 41% to 50% range.

Source: metro.co.uk- Apr 23, 2018

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Pakistan: Despite getting incentives, textile exporters still struggle

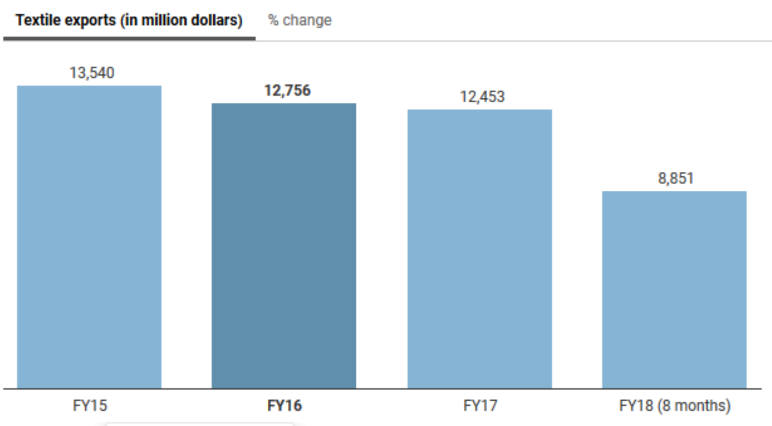
With a share of 57% in Pakistan's total exports and 8.5% in national economy, the giant textile industry is pressing the government to continue with its zero-rated tax facility and provide the incentives offered in the export package.

"The industry is going through a cash-flow crisis as it has already extended the incentives promised by the government in its export package to overseas buyers in order to ramp up exports," textile tycoon Zubair Motiwala, who also heads some textile bodies, told The Express Tribune.

Textile manufacturers have been pushing the government to release the huge pending tax refund claims so that they could deal with liquidity challenges. Of the Rs180-billion prime minister's incentive package for export industries, mainly the textile sector, the State Bank of Pakistan has processed Rs50 billion worth of claims, but the industry has received just Rs18 billion.

In fiscal year 2012-13, when the Pakistan Muslim League-Nawaz government came to power just before the close of the year, total export receipts of Pakistan were recorded at $25.078 billion.

However, exports dropped to $21.977 billion in 2015-16, registering a steep decline of 12.36%. Global exports also fell during the period but by just 1%.



The decline came despite the Generalised Scheme of Preferences (GSP) Plus status the European Union awarded to Pakistan in December 2013 that allowed exports at sharply reduced or zero duty.

The status certainly gave an advantage to the PML-N government as exporters enjoyed greater market access to the 28-nation European bloc.

In an attempt to give a boost to low textile exports and improve the country's foreign currency reserves, then prime minister Nawaz Sharif announced trade enhancement incentives worth Rs180 billion.

In the budget for fiscal year 2017-18, the export refinance facility was maintained at 3%, export-oriented sectors continued to remain zero-rated and the duty-free regime for machinery imports stood unchanged.

A 5% regulatory duty was, however, imposed on the import of polyester filament yarn.

Pak-Kuwait Investment Company AVP Research Adnan Sami Sheikh explained that domestic fibre manufacturers had opposed duty-free import of fibre, claiming the imported fibre was being dumped in the country.

The domestic industry welcomed the imposition of regulatory duty on fibre imports.

Now, the textile exporters expect more incentives in the upcoming budget for 2018-19 that could help boost their earnings.

Proposals

Ahead of the budget announcement, they have asked the government to reduce the cost of doing business by slashing power tariffs in order to enable the industry compete well with regional counterparts. They have sought tariff reduction from Rs11 per kilowatt-hour (kWh) to Rs7.

Industry players have also called for reintroducing the duty-drawback scheme and removing or at least curtailing the duty on the import of synthetic yarn and polyester staple fibre.

They are seeking the removal of Gas Infrastructure Development Cess (GIDC) as well which will reduce the cost of production and improve competitiveness.

Initially, there was no condition in the export package, announced in January 2017, for duty drawback for the first six months from January to June. However for the next fiscal year, the exporters must achieve 10% increase in exports in order to qualify for the incentives.

The target was somewhat achieved as from July to February FY18 exports rose to $8.85 billion compared to $8.18 billion in the same period of previous year. However, some analysts point out that the exporters may have falsely shown the growth in an attempt to get incentives.

According to Motiwala, exports went up after the incentives offered in the export package were extended to the buyers abroad. Lower prices of Pakistan's products in the international market had been a main factor behind the rise in exports, he said.

However, an analysis indicates that the international textile industry is highly competitive and Pakistan's major competitors – China, India, Vietnam and Bangladesh – will not let it penetrate their established markets.

These competitors are expected to respond to the price reduction by their Pakistani counterparts.

Cotton output shrinks

The textile sector has had a bad 2015 when cotton production fell 27.8% to 9 million bales – each of which weighs 176 kg. The output was significantly lower than the peak Pakistan hit in 2004 with production of 14.6 million bales.

Experts attributed the cotton shortage to the imported genetically modified seeds that were prone to pest attacks. However, the government rejected the notion, blaming the fall in production on changing weather, excessive rains and insect attacks.

An analyst pointed out that some farmers switched to sugarcane cultivation from cotton, but this year they struggled to sell sugarcane to the sugar mills, most of whom were not willing to offer the support price for sugarcane purchase.

Many of the farmers are expected to return to cotton sowing again and with that the demand-supply deficit will contract.

In the meantime, the textile industry has been pressing the government to remove tax from cotton import which is necessary in the wake of domestic production shortfall. According to experts, the textile manufacturers are also attracted by the long fibre of imported cotton compared to the cotton produced in Pakistan.

The industry is not satisfied with government's efforts as it has failed to implement the plans.

"Exports didn't get better due to government's efforts, but it came because of depreciation of the rupee. This is not the right way to increase exports. It would have been an achievement had exports gone up with a stable rupee," commented Motiwala.

Source: tribune.com.pk- Apr 25, 2018

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Vietnam: Trade promotion programmes improved to boost exports

The Vietnam Trade Promotion Agency (Vietrade) will enhance its supervision over the implementation of trade promotion programmes to improve their efficiency and provide training to associations and local agencies in organising trade promotion activities.

Trade promotion programmes helped to generate more than US$ 200 billion from the exportation of goods and commodities in 2017, according to Vietrade.

At a conference in Hanoi on promoting Vietnam's exports in 2018, on April 24, Vu Ba Phu, Director of Vietrade said that, in 2017, for the first time, Vietnam's exports surpassed US$ 200 billion. The country earned more than US$ 214 billion from exporting goods and commodities, up 21.2 percent compared to 2016.

The national trade promotion programme helped export companies to enter new markets of significant potential and expand their exports to major markets.

Vietrade's 2017 statistics showed that exports to ASEAN markets rose by 24.2 percent, reaching US$ 21.68 billion, while there was a surge of 61.5 percent to US$ 35.46 billion in China, and a rise of 14.8 percent to US$ 16.8 billion in Japan.

At the forum, the delegates were directed to focus on two key export groups, including agro-forestry-fishery with the focus on cocoa and cassava, and industrial products with the focus on garments and textiles and steel products.

Besides expanding new markets, exporters were advised to work to improve the quality of Vietnamese goods. Vietnam earned US$ 55.56 billion from exports in the first quarter of this year, a rise of 24.8 percent annually.

Source: nhandan.org.vn- Apr 24, 2018

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Five years after Rana Plaza tragedy, are things better for Bangladesh's textile industry workers?

The shiny headquarters of the Bangladesh Garments Manufacturers and Exporters Association – an organisation overseeing an industry that accounts for 82% of the nation's exports and is projected to make £35.5 billion by 2021 – stands tall in the capital, despite neither conclusive proof of ownership nor approved building plan.

Fifteen miles away and five years ago to the day, an eight-storey building lacking approval, constructed on land illegally obtained by then Awami League MP Towhid Jung Murad for the party's pet thug, Sohel Rana, collapsed under the weight of textile factories housed in it, despite it not being built for such a purpose.

About 1,135 workers, who entered the building that had visible cracks throughout, for a measly Bangladeshi Taka 100.00 (£0.80) for a day's work on April 24, 2013, were crushed to death. The survivors have spent the past half a decade in ever-diminishing hope of justice and the compensation they were promised.

This was not the first man-made tragedy visited upon workers. The domestic story of the textile industry in the second- largest manufacturers of clothing in the world is one of the continued repression of workers.

Crushing dissent

Inspections were redoubled in the aftermath of the tragedy, but as the months passed, they became lax. Workers are coached, sub-contracting factories – such as the ones in Rana Plaza – are exempt, auditors transition to factory owners.

Rana and the others indicted await full trials. However, seven labour activists arrested in January on questionable charges were sentenced to prison terms on April 1, unimpeded by the judiciary's glacial pace. They had been apprehended by the Industrial Police – a branch of the force created especially to protect economic interests, that is, suppress workers and serve the entrepreneurs.

Conceived when peaceful labour protests for a wage increase in 2010 became an inconvenience to the elite class, its work has included forcibly dispersing survivors who congregated at the site of Rana Plaza to pay respect to their lost colleagues on anniversaries of the disaster, and violently quashing the peaceful workers' strike demanding a higher minimum wage in December 2016.

Intimidation tactics include raiding labour organisations' offices, meting out physical abuse to workers who cross the line, and the threat of enforced disappearance. The bar is set high for the Industrial Police. When the decomposing body of labour activist Aminul Islam was found on April 6, 2012, it bore torture marks that fit the modus operandi of the Rapid Action Battalion – a British-trained paramilitary force comprised of the police and military, often operating outside the law.

The climate of fear under which labour activists operated was intensified by this murder. They have since curtailed their activities and censored themselves, but wage rises in Bangladesh have never been achieved without worker agitation forcing the mandated review every three years. While it bore fruit in 2010 and 2013 – the latter due to the Rana Plaza disaster putting the industry under heavy scrutiny – the Industrial Police's successful drive prevented a similar outcome in 2016.

Politicians and factory owners, often one and the same, keep labelling dissidents anti-state conspirators instigated by nefarious third parties. The minimum wage remains Bangladeshi Taka 5,300.00 (£44.73) per month – the lowest in the world – and the vast majority of workers continue to work without contracts and job security.

False narrative

Myths about wages abound, propagated by owners who pose as expert commentators and women's rights activists, the media, and economists at home and abroad. The first states that the benefits of growth in the industry and the GDP will lead to better pay.

By the Bangladesh Garments Manufacturers and Exporters Association's own admission, the industry has grown exponentially in the past three decades, and GDP has grown steadily in the same period, yet workers' pay has failed to keep pace, outstripped by inflation, augmenting wealth accumulation at the top.

Pace this evidence, the disproven theory of trickle-down economics, born of unbridled capitalist greed, will evidently work in Bangladesh. Second, that workers get food, accommodation and medical benefits. The allowances for these are accounted within the Bangladeshi Taka 5,300.00, which is why workers are only able to live in slums, eat less than their daily nutritional requirements, and go without medical care.

Another – a favourite – is that workers take home more than the minimum wage. While this is true, owing to overtime pay, even if they exceed the legally allowed 10 hours of work a day, they cannot make more than approximately Bangladeshi Taka 15,000.00 (£126.58) in the most expensive city of a country where the living wage is over Bangladeshi Taka 25,000.00 (£211.00). Incidentally, the former was the amount the workers had asked the minimum wage to be raised to in 2016.

Moreover, the only guaranteed pay is the minimum wage, with overtime beyond the statutory two hours at the employers' discretion, and accounting malfeasance commonplace. It is said that the resilient workers want to work more so that they may make more, but this overlooks the fact that no-one being paid a fair wage wants to work beyond the limits of exhaustion for fun.

The defences forwarded by factory owners are growth and development despite small margins decreasing annually, and unfair trade practices arising from buyers and brands having a clear advantage. In a business where the strong bully the weak, they are oblivious to the exploitation of those at their mercy: the workers. Those who add the most value are valued the least.

A legalised cartel manufacturing a product that is a necessity worldwide oppresses the workers, not only with impunity, but with the endorsement of foreign clients suffering from selective blindness and amnesia, and complicity of the entire power structure of the country – anti-worker labour laws, political parties, law enforcement forces, the judiciary, the media and the capitalist class. Bangladesh must not be boycotted, but its disenfranchised workers must be helped, their humanity enforced.

Source: scroll.in- Apr 24, 2018

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Malawi increases minimum cotton price by 17%

Taking into account the cost of production and prevailing international market prices, the government of Malawi has raised the minimum support price for cotton by 17 per cent to 375 kwacha ($0.52) per kilogram from last year's 320 kwacha per kg. A landlocked country in southeastern Africa, Malawi produced around 15,000 tonnes of cotton in 2017.

The decision to increase minimum price for cotton this season was made following a rigorous consultative process with industry stakeholders. This was informed at a press conference held jointly by the ministry of agriculture, the Cotton Farmers Association of Malawi (Cfam) and the Cotton Council of Malawi (CCM).

The cotton marketing season will begin in Malawi on April 27. The season is normally for a 3-month period by which all cotton is harvested.

Over the last few years, cotton production has gone down substantially from around 100,000 tonnes in 2012. Likewise, the number of farmers cultivating cotton has also gone down from 300,000 in 2011 to 150,000 in 2016.

Source: fibre2fashion.com- Apr 25, 2018

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Cambodia's garment exports moves north

Cambodia expects garment exports this year to grow by three or four per cent. A top garment-making hub, Cambodia is now the sixth fastest-growing economy in the world over the past two decades, with an average GDP growth rate of 7.6 per cent, thanks largely to garment exports.

Around 30 per cent of its garments are destined for the European Union. The country's growth in the EU market was largely the result of preferential treatment under the Everything But Arms agreement, which allows its garment products to enter the EU market duty-free due to its status on the list of least developed countries.

Last year, minimum monthly wage of workers in Cambodia's textile and footwear industry was raised by 11 per cent.

Cambodia’s new minimum wage is more than double the minimum wage for garment workers in Bangladesh.

The country expects purchasing orders in the garment sector in 2018 to be higher than in 2017.

Cambodia is the fifth biggest supplier of garment and textile products to the European Union. It’s behind China, Bangladesh, Turkey and India.

There is a lot of room for progress in the garment sector and many opportunities for the government and buyer companies to work together towards a better future for the industry.

Source: fashionatingworld.com- Apr 24, 2018

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NATIONAL NEWS

Cotton prospects pick up

Lower output expectations, US-China trade tiff to keep prices firm

Cotton was the star performer in 2017 compared to other agricultural commodities that suffered amidst the global glut. It performed well probably because of the crop damage concerns in India and Pakistan. In the last six months, cotton prices in India have traded broadly at ₹20,000-21,500 per bale (1 bale = 170 kg).

Cotton is expected to trade firm even in the near future on the reported loss in yields and quality in 2017-18, expectations of lower output in 2018-19 and the unexpected surge in demand for Indian cotton due to an ongoing trade war between China and the US. However, the hopes of a good monsoon in 2018 can restrict the upside.

Receding supply surplus

The Cotton Association of India (CAI) in its latest release forecasts that India's total cotton supply will be at 410 lakh bales for the 2017-18 season starting October 1, including the opening stock of 30 lakh bales along with 20 lakh bales from imports, against the domestic consumption requirement of 324 lakh bales. That will leave the current season with a carry-over stock of 21 lakh bales by September this year.

The CAI has drastically reduced the estimate for the country's cotton production at 360 lakh bales for 2017-18 as compared with its November 2017 prediction of 375 lakh bales, mainly on account of heavy damage due to pink bollworm infestation.

Bt cotton, which brought white gold revolution to India, has been showing resistance to the pest for the past 2-3 years. The rising incidence of bollworm infestation is prompting cotton growers to switch to other crops such as soybean, maize or chilli. This may lead cotton acreage to shrink 15 per cent in the 2018-19 sowing season, from the current 122.6 lakh hectares.

India accounts for about a third of the global cotton area, and within India, two-thirds of the cotton is produced in central India including in Maharashtra, Madhya Pradesh, Gujarat and Odisha.

The arrival data shows that more than 80 per cent of the current season's cotton crop has already reached the market by March 31, 2018. There is also a dearth of good-quality cotton crops in the available stocks. That shows the market is likely to witness tight supply situation before the crop arrivals from the 2018-19 season begin. Around 90 per cent of cotton mills have inventories to run their mills for only 1-2 months.

Domestic demand has also started showing signs of improvement on expectations of accelerated consumption of yarn and textile, in addition to the demand from exporters. Mills have intensified their buying operations.

Although the global production is expected to slightly exceed consumption in 2017 (25.7 million tonnes vs 25.4 million tonnes), the threat of pests and unfavourable weather conditions, steady textile demand in the emerging markets, and rising production cost of synthetic fibres, are likely to aid the demand for the crop.

US' pain, India's gain

The global financial market has become volatile due to the ongoing rift between the US and China over trade tariffs. In a major move, the US on March 23 increased import duties on steel and aluminium, primarily targeting imports from China. China on April 2 retaliated by announcing to impose 25 per cent taxes on a range of products imported from the US, including cotton.

This provides an opportunity for Indian cotton, which is trading at a huge discount to its counterparts, to see demand. India is expected to treble its export shipments of cotton fibre to China the next season. It also needs mention here that with China's cotton reserves having fallen drastically, the country is all set to resume its imports.

Demand for Indian cotton looks promising also because of the advantage that it is trading at 82-85 cents per pound against the 90 cents per pound of that from the US and Brazil, which will make traditional buyers such as Bangladesh and Vietnam give more export orders to India going forward.

Outlook

Cotton prices are likely to remain firm on account of a tight supply situation, less availability of good-quality cotton, crop damage concerns and robust export demand. However, any delay in the Chinese imposition of duties on the US cotton or good monsoon prospects may lead to a correction in the domestic market and limit the extent of the upside.

Source: thehindubusinessline.com- Apr 23, 2018

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Reinvent India's trade pattern

US rejoining TPP will put further pressure on China

The US-China trade war has taken a new shape after Trump administration evinced interests for re-joining the TPP (Trans-Pacific Partnership). Seemed to have been flattened by Chinese bellicose and domestic lobby by US farmers, Trump administration is likely to shift pressure on China by joining TPP. Joining TPP will help USA unleash bigger pressure on China, jointly with other member countries of the region, who are incidentally the major trading partners of China.

Originally, TPP was a 12 nations Pacific Rim trade block, comprising USA, Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. Together the block accounts for 40 per cent of global trade. China is an export-based economy.

Trade accounts for 37 per cent of its GDP. China depends substantially on TPP for its exports, which account for 49 per cent of China's global trade.

The Trump's administration warning by imposing high tariffs on steel and aluminum and bringing US $100 billion worth of goods in the high tariff net seemed to have little impact on China's dumping goods in USA.

China fumed to retaliate on the same velocity, arguing that its steel export accounted for barely 1.1 percent of USA's total steel import in 2017.

To sully the Chinese obstinacy, Trump asked his administration to reinvent the scope for re-joining TPP, if the terms are renegotiated. Seemingly, he thought that 8 member countries of TPP (out of 12 members), who are largely dependent on imports from China and bear the brunt of large trade deficit with China, will vie for USA's support to dampen the Chinese exports.

The 8 member countries of TPP, accounting for the concentration of China's exports, are USA, Japan, Vietnam, Singapore, Malaysia, Australia, Mexico, and Canada. They accounted for 97 per cent of China's exports to TPP in 2015. China's substantial exports to these countries created big trade deficits of these countries.

Against these backdrops, can USA bring a major jolt to China after rejoining TPP? Can it play a lead role for trade diversion? Presumably, it can dampen China's exports to these countries by supplanting after reaping the benefits of tariff concessions within the trade block.

It was observed that the major component of China's basket of exports to these 8 member countries were electric and mechanical machinery and equipment. Nearly one-fourth of Chinese exports to Japan relate to electrical machineries and equipment. In case of Vietnam, the share was 35 percent in 2015.

This means that to wean away the Chinese predominance in these countries, USA has to supplant Chinese exports of electrical and mechanical machinery by offering competitive pricing after reaping the benefits of low or no tariff in the region.

Besides tariff advantages, TPP provides exemption from non-tariff barriers to its member countries, which are imposed in case of imports from China. USA and Canada imposed TBT (technical barriers to trade) to several home electrical appliances imported from China. USA also imposes TBTs on children products (such as toys) imported from China. Textile products from China are subject to TBT by Canada. Japan imposes technical barriers on imports of furniture and construction machineries from China.

TPP, without USA, would have unleashed more space for China to flex its muscle. Now, with USA rejoining, TPP will impart a big burden on China's exports. This is because USA is the main export destination for some TPP member countries, which are diagonally major importers of Chinese goods.

For example, USA is the main export destination for Japan, Vietnam and Singapore, accounting for 20, 19 and 6 percent of their exports respectively. And USA, Japan, Vietnam and Singapore are among the top ten importers of Chinese goods. Together, they accounted for 29.5 percent of Chinese exports in 2016. This means that in the export-import balancing, USA has much power to influence these countries to buy more from USA.

Against this backdrop, it is likely that USA will exert more pressures on these four nations in TPP region to reduce their imports from China and buy American goods.

India is not a member of TPP. Threats of adverse impact loomed large as four TPP members, viz, USA, Singapore, Malaysia and Vietnam, are the major trading partners of India.

They account for one-fifth of India's global export. Given this, analysts raised an alarm on trade diversion. They feared that the rise in intra-regional trade in TPP due to tariff preferential and curbing the non-tariff barriers would squeeze India's exports to these countries.

The biggest trade diversion feared for India's exports was textile products. Textile is the single major item of India's export in its total exports to the world. It accounts for 10-11 percent of India's world export. USA alone accounts for 40 percent of India's total export of textiles.

With the duty preferences granted by USA to TPP members, concerns were raised on India's export of textiles to USA. Vietnam would have been the main obstacle to India's export of textile to USA. Vietnam is the second biggest exporter of readymade garments to USA (after China).

It accounts for 12 percent of USA imports of garment. The surge in Vietnam competitiveness due to duty preference will deter India's export of garments to USA, trade analysts feared.

But, there is a catch. In TPP, the duty preference for textile trade is governed by yarn forward rule. Under the rule, it is mandatory for the TPP members exporting textiles to procure yarn, fabric and other inputs from any or combination of TPP partner countries.

At present, Vietnam procures yarn and fabrics mainly from China. Given the existing structure of logistics and low-cost procurement of yarn and fabrics from China versus TPP rules, it will not be an easy task for the Vietnamese exporters to divert procurement from China to domestic market or to any other TPP member countries. Further, none of the TPP members is globally known for manufacturers of yarn and fabrics.

Nevertheless, in the cross-fire of US-China trade war and USA returning to TPP, India should have a relook at its trade pattern. India is already under US lens for its trade surplus with USA. It has already alleged that India's export subsidies as non-compliant to WTO after achieving the threshold of per capita income of US $ 1000 per annum.

Source: millenniumpost.in- Apr 24, 2018

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Textile exports dip 4% in FY18 to Rs 2.28 lakh cr

According to data provided by the Confederation of Indian Textile Industry (Citi), of the total commodities exports from India, the textile and apparel exports share has come down by a percentage point to 12% in fiscal 2018 from 13% in the previous fiscal.

New taxation regime, intense competitive pressures in the global market and uncertainty in the neighbouring markets, particularly in the Gulf region, have cast a shadow in the exports of textile and apparel, which saw a marked decline of 4% to Rs 2,27,902 crore in the just ended fiscal 2018 as compared to Rs 2,38,168 crore reported in the previous fiscal.

According to data provided by the Confederation of Indian Textile Industry (Citi), of the total commodities exports from India, the textile and apparel exports share has come down by a percentage point to 12% in fiscal 2018 from 13% in the previous fiscal.

While the textile exports declined marginally by 1% to end the fiscal 2018 at Rs 1,20,223 crore as compared to Rs 1,21,709 crore, and that of apparel exports saw a sharp drop of 8% to Rs 1,07,679 crore as against Rs 1,16,459 crore in the fiscal 2017, the Citi data said.

In March 2018 alone, the apparel exports was down 19% to Rs 9,695 crore Rs 11,946 crore in the corresponding period.

Similarly, exports of cotton yarn, fabs, made-ups, handloom products together declined marginally to Rs 65,969 crore as against Rs 66,160 crore in fiscal 2017. Made-made yarn, fabs, made-ups grew 2% to Rs 31,089 crore (Rs 30,559 crore earlier) and that of handicrafts (excluding handmade carpet) declined by 9% to Rs crore in fiscal 2018 as Rs 12,917 crore in the fiscal 2017, the Citi data said further.

In US dollar terms, the textile and apparel exports for fiscal 2018 almost saw a flat growth or 0.4% decline to $35.364 billion as compared to $35.514 billion in fiscal 2017. Here too, the textile exports grew 3% to $18.65 billion ($18.146 billion earlier) and that of apparel exports declined by 4% to $16.714 billion ($17.368 billion), the data said.

During the fiscal 2018, imports of textile yarn, fabric, made-ups grew 17% to Rs 11,838 crore (Rs 10,079 crore earlier) and in dollar terms imports grew 22% to $1.836 billion ($1.502 billion).

Some of the reasons for decline in exports were owing to transition to the new taxation regime and intense competition from neighbouring countries such as Bangladesh, Taiwan, Indonesia as well lack of FTAs with major importers.

The decline has been primarily driven by the sharp fall in exports to the UAE market, which had emerged as one of the prominent apparel export destinations for India, with its share increasing to 23% in FY17 from 12% in FY14.

Particularly for the ten-month period ending June 2017, India's apparel exports to UAE had grown at a sharp pace (56% year-on-year). Thereafter, apparel exports to the UAE have fallen at an equally fast pace, by as much as 45% since June 2017. Excluding the trade with the UAE, India's apparel exports are estimated to have stood 3-4% higher in the ten months to FY18, the Icra analysis pointed out.

Source: financialexpress.com- Apr 24, 2018

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India mulls new schemes for jobs, textile clusters

India is mulling over alternative schemes for jobs and manufacturing clusters, especially in textiles and apparel where the country has to phase out subsidies by 2018 end adhering to World Trade Organisation (WTO) regulations, under which India cannot offer export subsidies as it acquired export competitiveness in textiles by crossing the 3.25 per cent share threshold in 2010.

WTO allows developing nations with a per-capita annual gross national income (GNI) below $1,000 at the 1990 exchange rate to provide export incentives to any sector that has a share below 3.25 per cent in global exports.

In 2017, WTO notified that India's GNI was $1,051 in 2013, $1,100 in 2014 and $1,178 in 2015. The deadline for India for ending direct subsidies to textile companies is December 2018.

The Indian Government is exploring new schemes — broader in focus and not just restricted to exports — that would not run afoul of WTO, according to a report in a leading Indian English-language business daily.

It has discussed the idea of expanding the rebate of state levies (RoSL) scheme for textile and garments. Under RoSL, garment exporters get refunds from the central government against all levies paid at the state level. This can now be expanded to include taxes that are still embedded.

Production clusters can also qualify for concessions like those on electricity, the report said quoting an unnamed official.

The textile ministry has recommended linking employment generation subsidies to the wage bill as the criteria for the subsidy.

Source: fibre2fashion.com- Apr 24, 2018

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Textile mills to curtail output

With the crisis in the textile industry becoming more acute on account of the heavy accumulation of stocks, the Southern India Mill-owners' Association to-day [April 24] directed its 175 member-mills in Madras, Kerala, Mysore, Andhra and Pondicherry to curtail their production by 33-1/3 per cent "until the position improves".

The member-mills will forthwith suspend production for two days in a week but will pay lay-off wages to their workers for the period of closure. The general body of the Association which met here [Coimbatore] to-day [April 24] under the Chairmanship of Mr. K. Sundaram, resolved also to close the mills for a day on April 27 as a token of protest against the high incidence of taxation imposed by the Union Government.

The Association requested the Indian Cotton Mills Federation to press the Government of India to enact legislation for curtailment of yarn and cloth production on an all India basis to avoid regional imbalance. It decided to request the Reserve Bank of India to liberalise credit facilities for textile mills as well as yarn trade.

The Association urged the Madras Government to license immediately the installation of 12,000 power looms allotted to this State to facilitate the consumption of yarn in the State to a great extent. The Association requested the Union Government to ban the installation of additional spindles for the present.

Mr. K. Sundaram, Chairman of the SIMA, told Pressmen that the object of the two-day closure in a week was to keep the level of production at 60,000 bales a month which was considered "normal stocking".

The unsold and physical stocks with the member-mills which were of the order of 35,000 bales and 55,500 bales respectively at the end of February this year had mounted to 51,500 bales and 75,800 bales of 180 kg. each respectively on April 15.

The value of the physical stock on hand to-day [April 24] was estimated at 12.3 crores. Asked how long he expected the two-day-a-week closure to last, Mr. Sundaram replied: "It all depends on how the market reacts."

Source: thehindu.com- Apr 24, 2018

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India may face pressure to cut duties on 90% of goods traded with China

India is likely to face greater pressure to eliminate duties on 90% of goods it trades with China under the mega trade agreement among 16 Asia Pacific countries that is in the works.

Officials said that China, which has till now not aggressively pushed to fast track negotiations in the Regional Comprehensive Economic Partnership (RCEP), has shown a new keenness to "engage actively" ahead of the next round of talks later this week, the first after it its trade standoff with the US.

The talks are scheduled for April 28- May 8 in Singapore. "The current situation can influence our negotiations. China looks keen to engage actively," said a government official.

Beijing's sudden interest in the closure of the RCEP is fuelled by Washington's renewed interest in the Trans-Pacific Partnership (TPP) agreement, another mega regional trade partnership. Incidentally, seven countries-Australia, Brunei, Japan, Malaysia, New Zealand, Singapore and Vietnam-are common to both the agreements.

RCEP is a comprehensive free trade agreement including goods, services, investment, competition and intellectual property rights between the 10 ASEAN countries and its six free trade agreement partners- Australia, China, India, Japan, Korea and New Zealand.

If the US revives TPP, then ASEAN will be more comfortable going with it instead of China. Therefore, China wants to benefit from that first mover advantage, said Biswajit Dhar, professor at the Centre for Economic Studies and Planning in the School of Social Sciences at Jawaharlal Nehru University.

Till now, only the ASEAN countries have pushed for expeditious completion of talks while India has grappled with divided opinion about the trade agreement. Many departments and ministries including agriculture, defence and economic affairs have opposed the deal saying it would hurt India's interest.

The official quoted earlier said that all countries want to show there is some movement forward in the RCEP pact.

Source: economictimes.com- Apr 25, 2018

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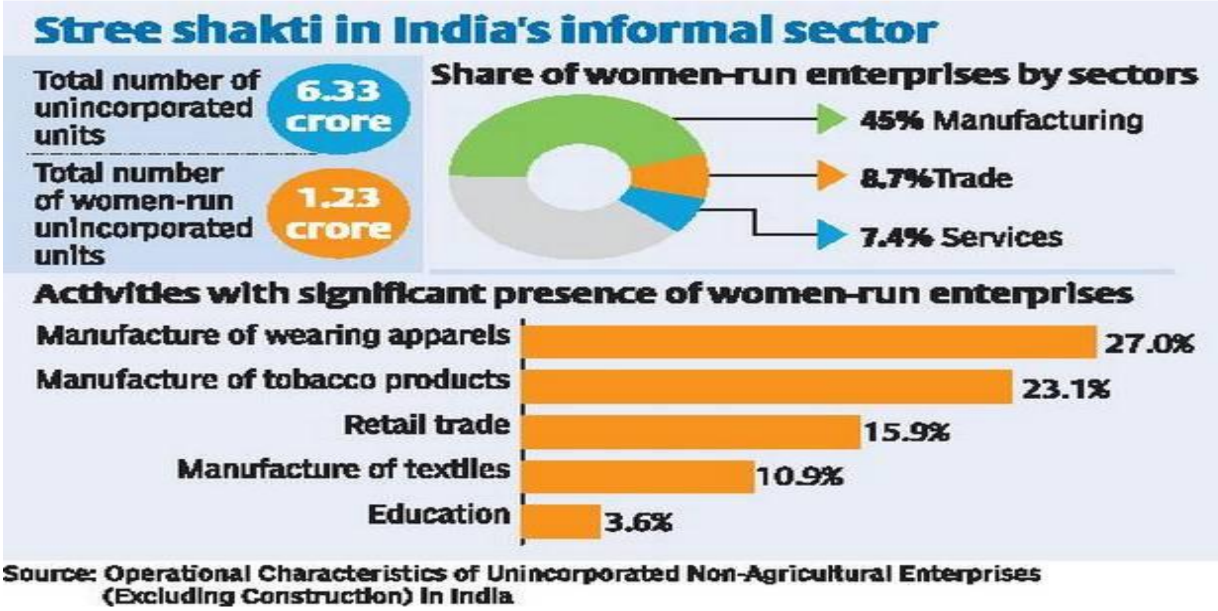
Beedi, apparel-making are top activities of women-run units in informal sector

Women owned a little over 1.23 crore units in India's informal sector but three-quarters of such units were engaged in retail trade or in making either garments, tobacco products or textiles.

Almost all these units were tiny enterprises and were more likely to be run from home and did not hire any workers. A significant number of these units depended on work given out on contract basis.

Women-run enterprises accounted for about one-fifth of the estimated 6.3 crore units in the informal sector, a detailed report of the National Sample Survey Organisation on India's informal sectors, excluding agriculture and construction units titled Operational Characteristics of Unincorporated Non-Agricultural Enterprises (Excluding Construction) in India released recently show.

The survey was carried out between July 2015 and June 2016.



Manufacturing units

Significantly, businesses run by women were mostly concentrated in the manufacturing sector and their presence in services other than trade was tiny.

Women owned 45 per cent of the units in manufacturing but just 8.7 per cent of the units engaged in trade and 7.4 per cent of the units in services. In all, there were 1.97 crore units in manufacturing, 2.3 crore units in trade and 2.07 crore units in services in the informal sector.

Of the 1.23 crore units owned by women, 33.32 lakh or 27 per cent were engaged in manufacturing garments, which essentially means they were running small tailoring units.

Another 28.56 lakh units or 23.1 per cent were engaged in making tobacco products and 13.49 lakh units or 10.9 per cent units were engaged in making textiles. Retail trade accounted for 19.62 lakh units or 16 per cent of the units owned by women.

Women-run enterprises also had significant presence in education, manufacture of food products and wood-based products as well as in food service, NSSO data showed.

The NSSO report also revealed women-run enterprises dominated certain activities. For instance, manufacture of tobacco products. Of the 32.75 lakh units making tobacco products, 87.2 per cent were owned by women. This is so because tobacco making comprise beedi rolling, an activity that is mostly done by women in the few States.

Chemicals-making

Another activity with significant presence of women-run enterprise include the relatively small category manufacturing chemicals and chemical products. Of the 1.73 lakh units, 68 per cent were owned by women.

Similarly, in manufacture of paper and paper products, women-run enterprises accounted for 62.9 per cent of the 1.07 lakh units.

In manufacture of apparels, women-run enterprise accounted for 59.4 per cent of the 56.10 lakh units and in manufacture of textiles, women accounted for 51.8 per cent of the 26.03 lakh units.

Retail trade

In trade, women presence was mostly seen in retail trade but proportion of enterprises run by them was less than a tenth of all such enterprises — only 9.8 per cent of the two crore units. Retail trade is the largest activity category in the informal sector — almost every third enterprise was engaged in retail trade, which includes small kirana stores selling daily necessities.

The report also showed that States such as Telangana and West Bengal had relatively higher proportion of women-run enterprises compared to many other States.

Over 37 per cent of the enterprise in Telangana and early 33 per cent of those in West Bengal were run by women.

Source: thehindubusinessline.com- Apr 25, 2018

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Samarth scheme launched to train 10L youths in textile sector

With an objective to develop skills in the youths to help them get gainful and sustainable employment in textile sector, the ministry of textiles launched 'Samarth' scheme for them in the organized and traditional textile clusters on Tuesday.

The scheme was launched following the approval of cabinet committee on economic affairs which recently met under the leadership of Prime Minister Narendra Modi. Synthetic and Rayon Textile Export Promotion Council (SRTEPC) chairman Narain Agarwal said, "The Samarth scheme aims at skilling nearly 10 lakh young Indians in organized plus traditional textile sectors over a period of three years from 2017 to 2020."

Agarwal stated that the Centre has earmarked an outlay of Rs 1,300 crore covering the entire textile value chain, except spinning and weaving. The objective of achieving $300 billion exports in the textile sector by 2025 will be realized once 10 lakh skilled youths will be employed in the textile sector.

The scheme will have National Skill Qualification Framework (NSQF) compliant training courses with funding norms as per the common norms notified by Ministry of Skill Development and Entrepreneurship (MSDE).

According to Agarwal, the textile committee as resource support agency (RSE) will perform various functions to identify and finalize skill development needs, standardize and develop the course content, specify the training centre's infrastructure, standardize the admission assessment certification and accreditation processes, empanel assessment agencies, conduct training of trainers and training of assessors etc. The scheme also will ensure 70 per cent placement of successful trainees.

"The scheme will be using biometric processes in selection of candidates to be trained, thus mandating the necessity of having an 'Aadhaar card' and an attendance system that will be integrated with a centralized MIS to ensure real-time attendance of all involved," Agarwal added.

Source: timesofindia.com- Apr 25, 2018

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Water saved with every weave

Arvind Mills has made water conservation central to its production agenda, writes Virendra Pandit

In 1998, when Arvind Mills started its fabric plant at Santej, near Ahmedabad, Gujarat, the western State was passing through recurrent acute water crisis due to inadequate rainfall over the years and the resultant series of droughts in that decade. So much so that special water trains were run between Gandhinagar and Jamnagar.

This summer also, many areas in the State are receiving inadequate water and farmers have been denied water for irrigation from the Narmada river, which is likely to impact kharif production negatively in the coming months.

The prevailing acute water crisis prompted Arvind Mills to innovate and save water in all possible ways, both as a business requirement and social responsibility. The Santej plant, spread over a 400-acre area, currently has nearly 8,300 workers, including 1,300 regular staff members. It houses the group's fabric-only plant which has three divisions for readying fabric for shirting, trousers and knitwear. It has huge capacities, too: its monthly production capacities are 12 million metres of shirt and trouser fabric and 800 tonnes of knit fabrics.

Addressing the challenge

Clearly, water requirement for such a massive plant is also huge: 17 million litres per day. The initial source of water was groundwater, whose levels kept fluctuating with seasons. The company took it as a challenge, decided to make the facility a zero liquid discharge (ZLD) plant and installed an effluent treatment plant (ETP) in 1998 itself for recycling water for reuse in industrial activity.

"Today, Arvind Mills has made its water requirement stable and sustainable by recycling, re-circulating and reusing about 95 per cent of input water, unlike other factories which reuse only about 10-15 per cent of recycled water," said Abhishek Bansal, Head of Sustainability. The ETP has a capacity to treat 17,500 cubic metres of textile effluents per day and has about 250 workers. In 2014, the company also installed Mechanical Vapour

Recompression Evaporation (MVRE) in the effluent recycling system for low-cost evaporation and recovery of salt dissolved in the effluents.

Interestingly, the company is also treating and recycling sewage water from the nearby drains of Ahmedabad Municipal Corporation (AMC). This is something no other corporate house seems to have done so far. “About 15 per cent of our water requirement for production is met by this recycled waste water from the AMC,” said Chetan Bhangale, Chief Manager, R&D, Sustainability. After initial treatment of this drainage water, disinfection of pathogens is done by chemicals before water is sent back into the recycling system.

From waste to good

To save, recycle and reuse drainage water, the Mills also upgraded technology and set up a sewerage treatment plant (STP) about five years ago. To draw this waste water from nearby village Jashpur to the factory, it laid a four km-long pipeline. After treatment, and a final check for the absence of Entamoeba Coli (E.Coli) and other viruses, this waste water can be used even for safe drinking purpose. The STP has a capacity to treat four million litres of sewage water a day, and a tank to store two million litres of waste water.

The maximum requirement of water in the Santej facility is for dyeing and processing of fabric. “We no longer depend on ground water for much of our requirement, nor on fresh water from outside, except for drinking purposes as some staffers have reservations about drinking recycled waste water,” said Jitendra Chaudhari, Head, ETP. “The water recycled by ETP and STP is ideal for any industrial consumption.”

This has happened for the first time in India. Only Singapore uses treated and recycled municipal waste water for human consumption. “There is no health risk in using this sanitised water,” the officials said.

Arvind Mills has 12 production facilities, of which three are in Gujarat and nine in Karnataka, with similar facilities for recycling waste water.

Overall, it is meeting 60 per cent of its total water requirements through recycling of waste water. “Our aim is to draw 85 per cent of our water requirement from waste water in the next couple of years,” said Bansal.

Innovation, the key

Enthused with these positive results, in 2011, the Arvind Group set up a new company, Arvind Envisol, to provide expertise and turn-key projects to other companies on how to develop solutions for environmental challenges. It now has 22 patents of its own on technology innovations and has seen an impressive growth. The company has installed its technology at 16 facilities of different corporate houses that include Coke, Pepsi, some FMCG, textile and pharmaceutical companies. Not only this, even Ethiopia has evinced interest in it.

Apart from saving water for its production plants, Arvind Mills also launched a “Better Cotton Initiative” (BCI) as an intervention to help about 4,500 cotton farmers of Gujarat and Maharashtra, spread over some 40,000 hectares. Cotton is a high water consumption crop.

The company is training farmers on how to conserve water by using sprinklers for irrigation and get good crops by testing their farm’s soil periodically along with using better seeds and pesticides. “We are sensitising these farmers on how they can save up to two billion litres of water every year.”

Arvind Mills became the first Indian company to partner BCI in 2011-12, launched in Switzerland. “We have a tripartite agreement with the farmers and the government whereby we buy cotton from the farmers at market price at the end of harvest.”

Nuggets on Arvind Mills

Arvind Mills manages 15 global brands, has registered 22 global patents for environmental solutions and has reached out to over 80,000 acres of farmland under organic and BCI cultivation, according to its Sustainability Report, 2014-16.

Company has a market capitalisation of $1.3 billion and 85 years of business experience. The Group’s business interests range from textiles, retail, advanced materials to environmental solutions and real estate.

The Group began as a spinning and weaving unit in 1931. In the 1980s, when several large composite mills in India were in crisis due to the introduction of power looms, Arvind adopted the 'Reno vision' business strategy, focusing on international markets and high quality premium fabrics. Within a decade, it claimed to be among the top three denim producers in the world.

In 2014, Arvind Mills bought 49 per cent stake in Calvin Klein in India, and set up a joint venture (JV) with Goodhill Corporation of Japan for launch of formal suits.

In 2015, Arvind Lifestyle Brands partnered with Gap and US apparel brand Aeropostale for their entry into India. It also launched the Arvind Composite Business, and The Children's Place, a kids' fashion retail format in India.

In 2016, the company ventured into the footwear market, launched 'True Blue', co-branded with cricket legend Sachin Tendulkar. It also signed a deal to manage the Indian operations of cosmetics and beauty retailer, Sephora.

In 2016, it started operations in Ethiopia.

Source: thehindubusinessline.com- Apr 25, 2018

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Zero waste fashion: Minimise wastage at source

Designer Divya Sheth elaborates on her zero waste fashion label and her belief in slow fashion

Carbon footprint, environmental friendliness and sustainability weren't mainstream terms in the textile and fashion industry a few years ago. One rarely came across international denim brands highlighting 'ethical denims' that don't use harmful/polluting chemicals.

As more textile and design hubs join the sustainability bandwagon, those who've been at it for decades rather quietly, hope that these aspects go beyond being buzzwords and truly contribute to ethical fashion.

Divya Sheth forayed into textiles and fashion wanting to establish a zero-waste label that scores on the sustainability front. She's worked with weaver pockets across the country and her new collection uses Pedana kalamkari from Andhra Pradesh that employs natural dyes.

Kalamkari fabrics, feels the Kolkata-based designer, are a significant part of the sustainable and organic movement as the fabric is washed in milk and painted using colours extracted from herbs.

"Textile is one aspect part of my ideology of conscious and organic living," says the designer. Even before launching her label in 2014, she was aware of how much fabric is wasted when cloth is cut to design a garment.

Divya went to National Institute of Fashion Technology to learn fashion photography and communication and followed it up with a make-up and styling course at Central Saint Martins, London. She began conducting make-up workshops in Kolkata, and fashion design came up later. But the exposure to the industry taught her a few know-hows.

For her first collection, she used handwoven khadi, jamdani, Pochampally ikat and ajrakh from Kutch. Wanting to minimise waste, she and her team arrived at silhouettes that don't waste fabric.

"Whatever little is left over, we began making them into tassels that can be creatively used on the garments," she says. Some design houses make use of leftover fabric to make bags, pouches and other accessories. Divya asserts with a hint of pride, "We've learnt to cut the fabric in such a way that so much fabric doesn't get wasted."

So, the silhouettes in her collections include oversized kimonos, panelled and drape garments, bomber jackets, capes and longer jackets, garments with asymmetrical hemlines, and a fusion of kurta and kimono that she calls a 'kurmono'.

These silhouettes, she explains, not only minimise wastage, but also defy the ever-changing fashion trends and hence stay relevant. "The garments we designed in 2014 are classy and contemporary enough to be flaunted today," she reasons.

Divya's collections are available on azafashions.com and in Hyderabad, at Ogaan and Deccan Story.

She has to her credit recognitions such as one of the top 20 designers for the Vogue India Fashion Fund in 2017 and Elle Graduates 2018: Modern Indian-wear Designer; she has showcased at Lakme Fashion Week for four seasons since 2014, before deciding to go slow.

"These days I am content coming up with one good collection each year," she signs off.

Source: thehindu.com- Apr 24, 2018

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