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US 71.74| EUR 77.99 | GBP 93.19| JPY 0.65

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

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

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

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

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

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

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

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

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

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INTERNATIONAL NEWS

USDA: Early Projections Show 12.5 Million U.S. Cotton Acres in 2020

USDA's early projection for 2020 U.S. cotton planted acreage is 12.5 million acres – 9% below 2019 and the smallest area since 2016.

Those projections were shared during the USDA Agricultural Outlook Forum on February 20-21.

In their Cotton Outlook report, the agency noted that expected harvest prices for cotton relative to corn and soybeans has played a key role in the cotton area planted. Cotton futures prices from mid-January through mid-February 2020 averaged 4 cents (nearly 5.5%) below price expectations in early 2019. In that same period, price declines for corn and soybeans were smaller, indicating that alternative crops are relatively more competitive this year.

Another contributing factors to uncertainty regarding acreage decisions for 2020 include production issues and results during 2019, the effects of the Phase One trade agreement with China and the impact of the coronavirus on cotton demand.

In the USDA analysis, cotton plantings of 12.5 million acres are estimated to result in harvested acreage of about 11.0 million acres – 7% below 2019. The projected abandonment rate of approximately 12.5% is based on regional long-run averages, with the exception of the Southwest where 2020 abandonment is projected at 19% (down from 23% in 2019).

USDA analysts point out that Southwest abandonment rates are highly variable and conditions in the region will have a considerable impact on the U.S. crop. The latest NOAA seasonal outlook for the Southwest indicates that drought is not forecast to be an issue through at least the end of April.

Based on regional average yields, USDA is forecasting a national average yield of 855 pounds per harvested acre – up from 817 pounds in 2019 – resulting in a projected crop of 19.5 million bales (3% below 2019 production). The anticipated rebound in U.S. cotton yield is expected to offset much of the acreage reduction in 2020.

Smaller crops are expected for most of the Cotton Belt in 2020, with the exception of the Southwest where cotton production could rise to its second highest on record.

In January, Cotton Grower's acreage survey showed 12.1 million acres for 2020. In mid-February, the National Cotton Council survey projected 13.0 million acres.

The final look at projected acreage for 2020 comes with USDA's Prospective Plantings report on March 31, based on a survey of producer planting intentions to be conducted in early March.

Source: cottongrower.com- Feb 25, 2020

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USA: Textile and Apparel Trade Shows Hit Hard by Global Coronavirus Outbreak

Another textile and apparel trade show has been shuttered due to coronavirus anxieties.

The Innovate Textile and Apparel (ITA) Asia show, which was originally scheduled to take place in Singapore this May, has been called off in the wake of the COVID-19 outbreak that has brought China to its knees. As the disease continues to spread throughout Asia and even Europe, the fashion industry is bracing for impact to its business operations and supply chain, and taking steps to mitigate fallout.

The World Textile Information Network (WTiN), which organizes the show, has said that a virtual conference will be held in its stead. Delegates will have access to the scheduled presentations through internet-connected devices, allowing them to experience some of the show's educational resources remotely.

The ITA Online presentation will hit the web on May 5, and will be available through June 30, organizers said. About 23 presentations will be recorded in advance and linked to presentation slides. There will also be an opportunity to pose questions to presenters during "virtual networking" events.

"The WTiN team is following the development around the coronavirus closely, and the health of our delegates and employees is of paramount importance to us which is why we made the decision to cancel ITA Asia for this year," Chinky Tyagi, head of business development at WTiN, said.

Rather than cancel the event altogether, the organization is taking the proactive step of pivoting to a new, virtual format. "The online event will give attendees the opportunity to access all presentations in one go," Tyagi said. "They can watch presentations at their own pace with no extra cost of travel or accommodation; the virtual format aims to provide all the functionality of the in-person event including the networking."

The event's programming will focus on emerging manufacturing technologies, material innovations and business models that are set to deliver the "next wave of opportunity" for the global textile and apparel manufacturing community, WTiN said in a statement.

Registrants for ITA Online's textile programming will be able to stream presentations on topics including blockchain, supply chain efficiency, the "digitally connected circular economy," 3D design and development and digital inspections.

Those who are interested in the materials offerings can partake in presentations covering the future of smart textiles, e-textiles, product development processes for smart garments and more.

WTiN's announcement about its reimagined Asia show comes amid a host of cancellations throughout the fashion industry. In early February, the Sourcing shows in Las Vegas saw just 40 percent of its registered Chinese exhibitors in attendance, while Portland's bi-annual Materials Show, due to take place a week later, was "postponed until further notice."

Premiere Vision Sport, another industry trade show that falls under the events management company's umbrella, continued as planned in Portland on Feb. 12-13—but Chinese exhibitors were barred from attending.

"Due to the recent decision of the U.S. Department of Health, we feel very sorry we cannot welcome our Chinese friends for this edition," Premiere Vision Sport said in a statement before the show.

Organizers of the Denimsandjeans and Kingpins trade shows, taking place in Japan and Hong Kong on March 4-5 and May 13-14, respectively, cancelled their events in light of the growing global health emergency. Both shows have been rescheduled for later in the year, providing that the situation improves.

"We are very concerned about the situation in China and understand that many of our exhibitors and attendees are dealing with extreme difficulties and uncertainty due to efforts to contain the spread of the virus," Kingpins Show founder Andrew Olah said.

Source: sourcingjournal.com- Feb 25, 2020

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British Exports to EU Could Fall 14% in No-Deal Scenario: UN Study

British exports to the European Union could fall by as much as 14% if the two sides are unable to strike a free trade deal and could be 9% lower even if an agreement is reached, a United Nations study found.

The imposition of tariffs under a no-deal scenario would crimp trade, with the effect amplified by so-called non-tariff measures (NTMs) such as quotas, licensing and regulatory measures protecting health, safety and the environment.

NTMs would double the negative impact of tariffs and could lead to an overall $32 billion hit to British exports, according to the UN Conference on Trade and Development (UNCTAD) study released on Tuesday.

The agriculture, food and beverages, and wood and paper sectors seem particularly exposed, it found, with a weaker impact on electrical and machinery, metal products, chemicals, and textiles and apparel.

NTMs affect more than 80% of trade in developed counties and more than 90% in the European Union, it noted.

Britain left the EU in January and aims to negotiate a deal on future relations by the end of this year, when the Brexit transition period expires.

Even if a "standard" free trade agreement emerged from the talks, British exports to the EU could still drop by 9%, dealing a major economic blow as the single market absorbs 46% of Britain's sales abroad, it said.

"EU membership has its advantages to deal with non-tariff measures that even the most comprehensive agreement cannot replicate," UNCTAD's director of international trade, Pamela Coke-Hamilton, said in a statement.

In a no-deal scenario, Ireland's exports to the United Kingdom are expected to drop 10% as a result of non-tariff measures and tariffs, the study based on 25 years of data found.

On the other hand, exports from developing countries into Britain and to a smaller extent into the EU could increase if Britain does not increase tariffs for third countries, it added.

The study did not estimate the impact of a "soft" exit scenario that largely maintains the status quo, saying much depends on the details of the relationship that results.

Britain has said it wants a Canada-style trade deal with the EU, but the EU has said this would require Britain to accept a level playing field in areas from state aid to taxation.

Britain has said that it does not want regulatory alignment with the bloc and that this was not what the EU demanded of Canada for a free trade deal.

Source: nytimes.com- Feb 25, 2020

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UPDATE 1-Coronavirus to hit Vietnam's garment industry hard - association chairman

Vietnamese garment makers will face a severe shortage of materials starting in the second quarter because the new coronavirus has disrupted their supply chains, the chairman of the Vietnam Textile and Apparel Association said on Tuesday.

Garments and textiles are Vietnam's third-largest export earner, after smartphones and electronics. Garment makers in the Southeast Asian country rely heavily on materials from China, where the virus has killed more than 2,600 people.

"Domestic firms have sufficient materials for production until the end of the first quarter, but many of them will face severe shortage of materials from the second quarter because they have trouble importing materials from key suppliers in China, Japan and South Korea," Vu Duc Giang told Reuters.

Giang said more than 50% of materials for the country's garment industry are shipped from China.

"We don't know yet to what extent the coronavirus will impact Vietnam's garment output this year," Giang in a phone conversation. "But we expect garment output in the first quarter to stay flat from a year earlier."

Giang said several garment makers will have to cancel or delay deliveries of their products.

"We are trying to diversify our sources of materials to mitigate the impacts of the virus," Giang said, adding that some companies are making more face masks and medical protective gear.

Source: reuters.com- Feb 25, 2020

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Pakistan: Textile inputs cost goes crazy on coronavirus crisis

Cost of imported textile inputs have escalated up to 100 percent amid shortage driven by slowdown in clearance of consignments at the ports, raising concerns for the industry that mainly relies on Chinese imports to contribute 60 percent to the country's exports, businessmen said on Tuesday.

The businessmen said textile sector is facing shortage of raw materials as import consignments are stuck at Chinese ports and prices of locally available goods have shot up.

"Everyone is talking about increasing exports from the country, but the fact is that production cannot be undertaken in the absence of raw materials," Zubair Motiwala, patron of Sindh Industrial Trading Estate (SITE) Association of Industry said.

Pakistan's textile sector relies on imports to meet around 70 percent of its input needs. The country imported around $11 billion from China in the last fiscal year and the imports mostly comprise dyes and chemicals, which are basic raw materials for textile sector.

Industrialists appealed to the government to allow early clearance of imports consignments containing dyes and chemicals from China.

Motiwala said consignments are stuck at Chinese ports. Alternative suppliers, such as Korea, Taiwan and India, either stopped supplying or quoting 30 to 35 percent higher prices.

"It is becoming difficult to continue production activities due to shortage of raw materials, while prices in the local market have gone up by 50-100 percent," he said. "Value-added textile sector requires ample quantity of dyes and chemicals. It is obvious that no one keeps the inventory for more than 1 or 2 months due to cash flow constraints as large amounts of exporters are stuck in sales tax refunds."

Motiwala feared that exports, instead of increasing with the kind of advantage, might be the other way round.

"It is in common knowledge that orders are based on season to season at least for six months in advance and if this price hike continues and consignments are not timely cleared, production would suffer and industries would not be able to complete their orders on time and as per commitment," he said.

Ikhtiyar Baig, former senior vice president of Federation of Pakistan Chambers of Commerce and Industry said production halts and export delays from China provided an opportunity for Pakistani exporters to capture a fair share of U.S. and EU markets.

“However, this would only be possible if local manufacturers meet timelines and match rates offered by China,” Baig said.

Baig said the international buyers are not actually switching to Pakistan and other countries. “In fact, these are spillover orders due to production constraints in China,” he said. “These spillover orders can be turned into long-term trade relationship if the government facilitates the local exporters through reducing cost of doing business.”

Baig said gas and electricity tariffs should not be increased to support the industry and increase exports.

Energy cost has been a perennial concern of businessmen in Pakistan over years as they said tariffs in the country are highest compared with the competing economies.

Javed Bilwan, chairman of Pakistan Apparel Forum is not as much concerned about the input scarcity as energy prices and refund constraints.
“Additional orders are coming from US and other countries, as China is battling with the deadly corona virus,” Bilwani said. “But, there are many other issues which need to be addressed immediately.”

Bilwani said textile exports could double over the next five years if the government contains high energy pricing, increases gas connection and resolves tax refund issues.

Industrialists are concerned over price hike and delay in clearance of consignments. “Production would suffer and industries would not be able to complete their orders on time and as per commitment,” SITE Association said in a statement.

Motiwala urged the authorities to take urgent measures, as import consignments are anchored on Chinese ports.

“If the situation prevails, other countries would increase raw material prices further,” he said. “The government should immediately withdraw all the levies with immediate effect so that there should be minimum burden of cost escalation.”

Source: thenews.com.pk- Feb 26, 2020

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Coronavirus dampens Chinese yarn demand

The outbreak of the Coronavirus (COVID 19) in China will undoubtedly weaken demand for imported yarn. At present, weavers in various regions are slowly returning to work, especially large-scaled ones, but the small and medium-sized are still shut down. Although spinners in various regions have announced plans to resume work, there are still restrictions on transportation and delivery delays.

Downstream weavers have not yet fully resumed work. The stagnation of logistics has led to the accumulation of goods by traders. In addition, the market demand is uncertain. Trading will be thin for some time. Domestic traders plan to quote up after the holidays. At the same time, with reference to international cotton and cotton yarn prices and exchange rates, imported yarn prices may continue to be weak.

The increase in forward imported yarn prices before the holidays was much larger than that in cotton prices, mainly due to China’s regular replenishment from Vietnam and Pakistan. Traders in Bangladesh and Egypt continued to purchase Indian yarn.

Carded, combed and open-end yarn prices were weak this week. The profit of Vietnamese yarn mills fell after the holidays, and now it fluctuates near the breakeven level. For forward yarn suppliers, China’s stagnant procurement has been a problem.

Source: fashionatingworld.com-Feb 25, 2020

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Uzbekistan 3rd biggest garment exporter to Kazakhstan

Uzbekistan exported 10,000 tonnes of apparel to Kazakhstan in 2019, while the latter imported around 62,000 tonnes of light industry products worth $670.6 million.

Almost half of the products—31,000 tonnes worth $181.8 million—were imported from China. Russia ranked second, with some 10,500 tonnes of clothing exports to Kazakhstan worth $195 million.

Uzbekistan is the third biggest clothing exporter to Kazakhstan, according to Kazakh media reports.

Other garment exporters to Kazakhstan include Turkey, Bangladesh, Belarus.

Source: fibre2fashion.com-Feb 25, 2020

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Pakistan: Govt must prioritise cotton cultivation: SC

The Supreme Court Tuesday observed that instead of concentrating on cotton crop, sugarcane was being cultivated which consumed more water causing severe losses to the country.

A three-member bench, headed by Chief Justice of Pakistan Justice Gulzar Ahmed, heard a case concerning the use of water, its prices as well as implementation of recommendations forwarded by the Water Conference held by the Supreme Court in 2018.

The chief justice observed that despite being an agricultural country Pakistan had to import cotton adding that instead of concentrating on cultivation of cotton, sugarcane was being cultivated which required more water causing severe losses to the country.

He further observed that growers cultivate sugarcane fearing that if they don’t, sugar mills owner will take over their lands.

"There is no system available in our country regarding crop cultivation," the CJP remarked adding that preference should be given to those crops which consumed less water.

The court expressed annoyance over the Sindh government's failure in submitting its report.

The chief justice remarked that all the provinces except Sindh had submitted their reports and the court was about to close the case that was being tried since 2018. He chief justice asked as to why the Sindh province always lagged behind.

The Sindh government representative informed the court that 64 dams had been constructed.

The chief justice asked as to who was barring the Sindh government from constructing the Nai Gaj dam. Deputy Secretary Irrigation Sindh admitted corruption in the construction of Nai Gaj dam and informed the court that an approval had been sought for taking action against those responsible.

The chief justice asked if the Sindh chief minister will allow the anti-corruption department to take action in this regard. Deputy secretary irrigation submitted that an inquiry had also been initiated on the orders of chief minister.

The chief justice observed that Mancher Lake in Sindh was the biggest in Pakistan but it was being filled with dirty water.

"Despite having the biggest reservoir in Sindh, its people are facing scarcity of water," he further observed.

The court was informed that Rs200 was being charged per crop for water in Sindh. The chief justice, however, observed that the income of one crop was in crores, while only Rs200 was charged for water.

Justice Ijazul Ahsen asked about the water tariff which was to be introduced for cement, textiles as well as leather industries.

The judge asked under which rule government departments will collect water tariff.

A representative of Pakistan Commission for Indus Water told the court that they had submitted their recommendations and intimated the provinces about the price to be collected for water.

The court was further informed that the amount fixed for the water was less than that was fixed by the US. Similarly, the court was informed that the Terms of References (TORs) had also been prepared.

The court was informed that the Punjab government had submitted its report in this regard.

Additional Advocate General told the court that Punjab was the only province which had started work on 115 kilometers new cannel which will irrigate around 1,70, 000 acres of land. He further said the Rs45 billion project was funded by the Asian Development Bank.

Meanwhile, the court adjourned the hearing for one month after giving time to all the four provinces and the federal capital to submit comprehensive reports on implementation of recommendations given by the Water Symposium.

Source: thenews.com.pk-Feb 25, 2020

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NATIONAL NEWS

Yarn exports down by 20% due to corona virus impact

Chennai: Coronavirus has brought down the yarn exports to China to almost nil. The country, which imports over a quarter (27%) of India's cotton yarn appears shut for yarn business.

Exporters said that February so far has seen a 20%-30% drop in overall exports because of the inactivity in China.

"Compared to January, there is a 40% drop in overall exports and almost nil exports to China. However, there is demand from Bangladesh and Vietnam who usually import yarn from China. So the situation has been salvaged a bit," said Arun Jhajaria, director of Salona Cotspin.

As a result of low demand, cotton yarn prices have fallen by 3%- 4% to Rs 185 to Rs 200 per kilogram, for export quality in the past 10 days. After the lunar new year, Chinese come forward to purchase the yarn but exporters add that business has not yet picked up.

In FY 2020, yarn exports were already down by 9% for the period April to Jan. The industry saw an improvement in exports from November after seeing a drop of upto 39%. "

We saw a revival of exports in November and December and now, with the factories shut, we expect to see a drop in exports again," said KV Srinivasan, chairman of industry body TEXPROCIL.

Source: indiatimes.com- Feb 26, 2020

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Textile firms' body takes problem-solving to the next level

Indian Texpreneurs' Federation seeks to spot pain points and offer remedial measures

While industry associations by and large take up their members' grievances with the government and seek intervention, the Indian Texpreneurs' Federation (ITF) chooses a different line.

Besides taking up such issues with the government, it looks at what went wrong and why, and sets for itself a mission for each year.

"The government no doubt will remove the friction; but policy decisions take time," said Prabhu Dhamodharan, Convenor, ITF. "Entrepreneurs need to act much sooner, especially in this highly competitive environment.

So we do a comparative analysis of the issue with member mills to identify the pain point and initiate remedial measures. Technology, for instance, cannot be wished away today but without proper training it cannot be put to beneficial use. We focus on specific areas to improve the overall business performance of the industry in the State."

The ITF represents spinning mills and garment units based in Coimbatore.
Mission for 2020-21

Last year, the ITF focussed on improving the manufacturing and energy efficiency parameters of the textile sector, said Dhamodharan. "Our mission for 2020-21 is to push standalone spinning mills to move up the value chain, help create value through sustainable initiatives, appeal for support to resolve working capital issues, empower people and unleash their power," he added.

Elaborating on each of the focus areas, he said: "There is a clear trend of differentiation in margins between standalone spinning mills and semi-integrated/integrated units.

The integrated units do better than the standalone ones and the difference ranged between 250 and 300 points in the bottom line (before taxes and appropriation). Within our member base of 87 lakh spindles, only 20 per cent have built integration as a business model."

To help members move up the value chain, ITF will be setting up an advisory cell with industry and external experts, Dhamodharan said.

Developing sustainability

On the sustainability and value creation aspect, he said the textile sector has developed all the major aspects of sustainability, such as zero liquid discharge, efficient water management, waste reduction, use of renewable/green energy and energy conservation practices. “We have formed a committee to study the positive aspects of the sector for branding and positioning the units here as the most sustainable cluster in India,” said Dhamodharan.

On empowering people, he said: “Since the initiation of the ITF Leadership Academy last year, the Federation has imparted training to 400 managers and supervisors. The training has helped bring about a huge transformation. We have therefore decided to extend the leadership training series to 1,000 managerial and supervisory employees to create a happy workplace.”

Source: thehindubusinessline.com- Feb 25, 2020

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Both countries agreed to fast track deal talks: Piyush Goyal

Commerce minister Piyush Goyal on Tuesday said India and the US will close the first end of a bilateral trade deal and get into its legal vetting soon. He said the two sides have decided to fast track talks for a larger free trade agreement (FTA), which will include market access, services, investment protocols and areas of mutual interest.

“Hopefully, we will close the first set of the limited engagement, which we have already discussed and finalised... We will get into legal vetting and close that quickly,” he said at a CII-USIBC event.

The minister said stakeholder talks will take place from both sides with industry groups on market access, opening up of services and investment protocols. “I can assure what will be done, will be done in the best interests of both countries. It will be an offer, at least from our side, that the US cannot refuse," Goyal said.

At a separate event, he said there will be a lot more two-way trade.

“Having almost closed the last contours of the limited trade package that we have finalised and with the significant announcement of a much larger trade deal in the offing, I think we have moved to a new level of engagement where we are going to see a lot more two-way trade,” Goyal said at the Ficci US-India Forum event. The minister said both PM Modi and President Trump have decided to formally engage to move towards a bilateral FTA.

When asked how fast India and the US can finalise an FTA, he said at the CII event: “We can trust each other, we can talk with openness and fairness... the two nations have decided to engage on a fast track basis. So, I certainly do not see that this will be like one of those FTA negotiations going for decades and years”.

Bilateral trade between India and the US in the April-December period was $68 billion.

Stating that getting $100 billion foreign investment per year will not be very difficult, Goyal said at the Ficci event the government will have to work towards loosening the regulatory mechanisms and initiatives to improve the synergy between the different wings of the government are on.

E-COMMERCE, IPR

At the CII event, Michael J Walsh, Jr, chief of staff of the US Department of Commerce, said business communities can persuade the Indian government to go in a different direction as far as data localisation is concerned and that India’s intellectual property protection regime in the pharma industry “is not where it should be”.

“Data localisation is not worth fighting over,” he said.

To this, Department of Industrial Policy and Promotion secretary Guruprasad Mohapatra said India’s IPR regime is robust and legally sound, and India doesn’t allow ‘evergreening’ of patents, especially in pharma.

Source: economictimes.com- Feb 26, 2020

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Trump: Cut tariffs for better trade ties

Trade deal not before the end of the year, says US President

True to his style, US President Donald Trump did not mince words when he said that India needs to work on its tariffs if it wanted better trade relations with America.

At a press conference called at short notice, Trump, to a question, said, "India is probably the highest tariff nation... I said you have to stop that, especially those that pertain to American states. I think we are understanding each other."

The press conference, which Trump himself moderated, was free flowing with the US President taking questions from both international and Indian media.

Harley Davidson case

Citing the case of Harley Davidson, the US-based premium motorbike manufacturer, Trump said the company had to pay very high tariffs when it exported to India. But Indian companies faced almost no tariffs when they exported motorbikes to the US, the President said, adding that it was unfair treatment.

Trump expressed unhappiness over tariffs being raised recently by India, alluding to the import duty hike on 111 non-essential items in the Budget. "It (the tariff) has to be reciprocal. The US has to be treated fairly. India understands that," he said.

The President expressed satisfaction that the US' trade deficit with India had declined "from $30 billion to $24 billion", but said it must be pared further.
Trade deal

On the proposed India-US trade deal, the US President said that if the deal is reached, it would happen at the end of the year. "If it (the deal) doesn't happen, it will be something else that is very satisfactory," he added.

To a question on the details of energy security deal discussed with India and whether the nuclear deal between the two countries is still on board, he did not respond. But, when asked whether there would be economic sanctions against oil trade with Venezuela and if companies buying from the country would also be penalised, Trump said that it was still being worked out.

India, a 'tremendous player'

On India's growth potential, Trump said the country was going to be a tremendous player over the next 50-100 years. He said it was doing a "fantastic job" in sectors like education.

The US President's 36-hour India trip saw three agreements being inked in health and oil sectors and the $3-billion defence deal.

Source: thehindubusinessline.com- Feb 25, 2020

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COVID-19 puts break on India's raw material import

Novel coronavirus (n-CoV or COVID-19) epidemic has taken more than 2,500 lives till now, and if the severity continues further the damage will be beyond repair as China is a major trading partner of several countries including India. China is a major importer of cotton yarn and exporter of purified terephthalic acid (PTA) and polyester staple fibre (PSF).

Trade between the India and China (including Hong Kong) was $115 billion in calendar year 2019, as per the latest Crisil report 'The n-CoV fallout'.

China is the 4th largest trading partner with India for PTA and the largest trading partner for PSF. India imports close to 72,000 tons of PTA and 43,000 tons of PSF from China (data as of 2018 from TexPro). Central China, the hub of feedstock manufacturing, is locked down at a time when the Indian government has abolished 2.5 per cent anti-dumping duty on PTA. The virtual closure due to n-CoV has put break on PTA import from China.

Another sector that will feel the impact is textile cotton yarn. India exports 27 per cent of total cotton yarn to China and the decrease in exports will put a pressure on the domestic cotton yarn prices, in turn creating lower margins for the producers.

The readymade garments sector, however, would not be affected much as China accounts for only 1 per cent of India's overall exports.

Due to rising operating costs, the sourcing of apparel by the US and EU had already shifted from China to other low-cost economies. "N-CoV will further impact China's exports, thereby giving more opportunities to low-cost economies like India, Vietnam, and Bangladesh.

There is an improvement in apparel orders from US and EU to India, and is likely to get incremental $2-3 billion of orders for fiscal 2021. Although, the operating rates of many Indian RMG players are high at ~90 per cent, the labour-intensive sector should be able to add temporary manpower to take up these additional orders," the Crisil report said.

Source: Fibre2Fashion.com-Feb 25, 2020

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Coronavirus impact: Gujarat dye intermediate industry feels raw material shortage

Gujarat's chemical and dyestuff intermediate industry is feeling the heat of Coronavirus outbreak in China as nearly 800 odd units in the state have been facing shortage of raw material.

If the supply is not restored soon, most of these units will not be able to function.

"Most of the units are already functioning at less than 50% capacity in Gujarat. These units are depending upon more than 50 Chinese dye intermediates including that of vinyl sulphone, h-acid, cyanuric chloride, j-acid etc. Majority of the units are on the verge of exhausting the stock of these important dye-intermediates. Since the outbreak of Coronavirus, supply has been stopped," said Yogesh Parikh, president of Gujarat Dyestuff Manufacturers Association (GDMA).

Few dye intermediates are being manufactured by Indian companies, Parikh said, adding that in the absence of cheaper Chinese competition, the local manufacturers have increased the prices by two to three folds, which is unaffordable.

Situation would go from bad to worse from March even as Chinese suppliers would start sending shipments of dye intermediates from today itself as it took at least 45 days to reach cargo from China to India, he lamented.

With almost Rs 60,000 crore monthly turnover, Gujarat is having lion's share of over 75% in India's chemical and dyestuff industry. Mostly these units are spread across Ahmedabad, Vadodara, Ankleshwar and Vapi. Annual exports of chemical and dyestuff is exceeding Rs 50,000 crore.

"If this embargo would remain for longer period, gradually most of the units would close down in Gujarat. Although our Chinese suppliers have assured to restore supply of raw materials as early as possible, we are currently in complete state of uncertainty. The situation may lead to job cuts in the segment in coming days," says Parikh.

Prices of vinyl sulphone has shot up from Rs 170 per kg to as high as Rs 470. In the case of h-acid prices have gone up from Rs 360 to almost Rs 480 per kg. Shailesh Patwari, former president of Gujarat Chamber of Commerce and Industry (GCCI) and chairman of Naroda Envrio Projects, said that there is no availability of cyanuric chloride, a basic dye-intermediates, as Indian industry is solely dependent on Chinese import.

According to Patwari, in order to prevent such critical situation in future, the government of India and domestic chemical and dyestuff industries should try to manufacture basic raw material in the country itself.

"This is the right time to convert adversity into opportunity. Nearly a year ago, Chinese suppliers had increased the prices of raw material. Despite the fact, Indian units continued buying raw material as there was no alternate. Again similar situation arise in form of natural calamity," he opined.

Source: financialexpress.com-Feb 25, 2020

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Odisha Handlooms, Textiles Minister released book 'Divine Fabric'

Minister Handlooms, Textiles and Handicrafts Smt. Padmini Dian today released book entitled 'Divine Fabric' by Raja Parija in the official chamber of honorable Minister at Lok Seva Bhawan today evening along with the senior officials of Handlooms, Textiles and Handicrafts Department.

Odisha is traditional Tasar producing state since time immemorial. Tasar, which is grown and nurtured by the pristine tribals and weavers. Flawlessly by the traditional weavers of the state has created a brand image worldwide 'Odisha Tasar'. Today Odisha Tasar is the happening destination of fashion.

The most interesting fact about Tasar, traditionally called as 'Mathaa' in Odia culture it is also called 'Amlan Vastra' signifying that it never fades. Tasar Culture, a branch of sericulture is an agrobased activity. It provides livelihood support to thousands of Tasar farmers of the State out of which also 95% are tribals. Tasar Culture in Odisha has been contributing significantly towards the promotion of handloom sector.

Sri Raja Parija, Director (S.C) ST & SC Development Department, author of the book had the privilege to deal with the sericulture sector of the State. After seeing the entire life cycle of Tasar Cocoon produced at the process of weaving Tasar fabrics out of raw Cocoons by the traditional weavers. It encouraged him to document the glorious Tasar tradition of Odisha.

This is perhaps the first comprehensive book on Odisha Tasar which gives an insight into its historical background. Tasar tradition from soil to fabric and its foray into contemporary fashion world. It will benefit the textile scholars, fashion designers, students, craftsmen, tourists and general readers.

Source: orissadiary.com- Feb 25, 2020

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