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# IBTEX No. 214 of 2017 October 26, 2017

USD 64.77 | EUR 76.63 | GBP 85.94 | JPY 0.57

## Cotton Market

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

| Rs./Bale | Rs./Candy | USD Cent/lb |
|---|---|---|
| 18262 | 38200 | **74.88** |

**Domestic Futures Price (Ex. Gin), October**

| Rs./Bale | Rs./Candy | USD Cent/lb |
|---|---|---|
| 18180 | 38028 | **74.55** |

**International Futures Price**

| | |
|---|---|
| NY ICE USD Cents/lb ( Dec 2017) | 69.31 |
| ZCE Cotton: Yuan/MT ( Jan 2018) | 15,045 |
| ZCE Cotton: USD Cents/lb | **87.62** |
| **Cotlook A Index – Physical** | **77.6** |

**Cotton & currency guide:** Post the Monday's massive trading session cotton has been trading very sideways this week. The trading range has been in a very narrow range of 68.70 to 70.20 cents. On Wednesday the ICE December future settled at 69.31 cents per pound and this morning the same contract is seen trading at 69.27 which initially fell down to 68.83 cents. The sentiment though seems sideways but broad perspective looks positive and every time market corrects on to the lower level there is a buying opportunity in the market. However, we also need to understand unless 71 cents is cleared onto the higher side the proper break out may not be witnessed to make the rally superbly bullish.

On the trading front, since the December has only 20+ trading session for its first notice period for expiry the open interests are slowly declining. As of latest data the OI is around 0.11 million contracts declined from a recent high of 0.15 million contract. However, the trading volume has been quite steady 13500 to 14K contracts.

Further the next available contract i.e. March 2018 contract is seen trading around 68.99 cents though in backwardation but the spread has narrowed down to only 28 points.

From the price perspective the December future at ICE may continue to trade in the range of 68.50 to 70.40 as narrow trading band. Either side break out shall give fresh cues in the market.

Further on the fundamental front, debates continued over how much cotton might be lost with Friday's forecasted freezing temperatures for West Texas. India continued to be in focus. The announcement of higher prices to be paid to Gujarat growers has seemed to boost price ideas for cotton in general. Some skepticism remains the payment may not be fruitful.

From the data front the weekly export report releasing today from the US may reflect more sales.

On the domestic front, the price of S-6 cotton declined a tad on Wednesday. Looks like the effect of Gujarat state decision which made across cotton to trade strongly positive is now slowly waning. Prices for Shankar-6 new crop have fallen slightly to Rs. 39,000 per candy, ex-gin (76.35 US cents per pound at the prevailing exchange rate). Quotes for new crop Punjab J-34 are weaker too at Rs. 3,855 per maund (about 71.90 cents per pound)

The futures contract trades at MCX continued to trade sideways. The November future ended the session at Rs. 18420 down by Rs. 90 from the previous close. Market is expected to remain sideways. The trading range for the day would be Rs. 18340 to Rs. 18560 per bale.

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

# NEWS CLIPPINGS

# INTERNATIONAL NEWS

## China to invest $753M to build industrial zone in Egypt

The Egyptian-Chinese Joint Company is planning to build an industrial zone for textile industries worth 5 billion Chinese yuan ($753 million) on an area of 2 million square meters, Chairman of the Industrial Development Authority Ahmed Abdel Razek stated on Wednesday.

During a meeting with a Chinese industrial delegation that included 25 major companies specialized in the textile industry, Abdel Razek stated that this Chinese industrial zone will provide 90,000 job opportunities for youth.

The two parties will continue discussions in this meeting to develop a vision of the project and to start the implementation steps as soon as possible.

The Chinese have demanded to divide this zone into industrial, residential and service areas to serve as an integrated industrial city.

The Chinese preferred at the beginning to implement the project in 10th of Ramadan City, as it's very close to Cairo ports and the Delta, but due to limited land available in the proposed land site, they were recommended to build it in the Quota industrial area in Fayoum.

Abdel Razek also said that the industrial area is specialized in producing textiles, dyeing, ready-made garments, printing and embroidery. It will also cover the textile production industry.

Source: egypttoday.com - Oct 25, 2017

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# Indonesia : Mixed Reactions to Eased Textile Imports

The Indonesian Association of Synthetic Fiber Producers (APSyFI) has opposed the proposed relaxation of restrictions on the import of textiles, warning that it would lead to unfair competition between foreign and local textile suppliers, as the latter still suffers from high production costs such as high gas prices and wages.

From an industrial point of view, this would lead to unfair competition as the local textile industry is burdened with higher production costs compared to other countries like India, China, and Bangladesh. “The impact is (garment) producers who usually used local textile could shift to import materials,” said APSyFI executive member Prama Yudha Amdan. Any decline in local textile use consequently leads to decline in factories’ utility rate.

APSyFI data shows local industry utility rate plunged last year due to high production costs. National fibers producing plants utility rate dropped to 81% from 83.8% (2015), yarn plants to 76,7% from 79% and fabrics to 52.6% from 54.5%. Only the utility rate of garment plants increased to 80% from 75.7%

The textile producers demanded that the government continue the Finance Ministry’s strict monitoring on high-risk bulk import practice (PIBT) (Penertiban Importir Berisiko Tinggi) that has shown positive results in the form of declining imports.

Textile upstream industry utility rate has increased by 10% to 15% during PIBT’s implementation, APSyFI recorded.

The intention to simplify import procedure was meant to help small and medium manufacturers (IKMs) in getting raw materials.

“But now, why does the government allow traders to also import? This raises a question: does the government want to make Indonesia a country of importers or an industrial country?” Yudha said.

Source: einnews.com- Oct 24, 2017

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# South Africa business people arrive in Russia for Investment Trade Initiative

A 20-strong South African business delegation has arrived in Novosibirsk for the 10th Investment and Trade Initiative (ITI) to Russia.

According to a statement on Tuesday, the business delegation to the ITI is organised and funded by the Department of Trade and Industry (the dti). The objective of the mission is to increase exports of agro-processing and clothing and textile products, as well as the built environment and capital equipment goods and services to the Russian market.

Global Sales Director of the Bridge of Hope Wines Mojalefa Mosia said he is in Russia as part of his company's efforts to expand their export market in Russia as they are already exporting to Moscow.

"The mission has provided us with a perfect opportunity to find a market for our wines in Novosibirsk as we always wanted to export to other parts of Russia. We are confident that we will be able to successfully find a distributor or buyer that we can start doing business with in order for our wines to be sold in this part of Russia and other areas. This will enable us to grow our market," said Mosia.

According to the dti statement, Mosia's Western Cape-based company is already exporting to Belgium, Kenya, Angola and the United Arab Emirates.

The Managing Director of the KwaZulu-Natal based company, Thulanda Consultants, Benson Mseleku, said his mission is to find Russian companies that he can partner with for engineering projects in South Africa.

"We are an engineering company that is involved in project management and design services to the mining, water and sanitation industries, as well as energy infrastructure development. We are hopeful that we will be able to find Russian companies that can be interested in partnering with us in our projects back home," said Mseleku.

Kama Industries' Grant Rossouw said he will use the opportunity to enter the Russian industrial market in order to supply his Gauteng company's capital equipment products to the country's mining industry.

"We are already working with a company in St Petersburg on a small scale and now we would like to expand the market for our products by finding buyers in Novosibirsk. Our products are doing well in Australia and Chile and we are on a mission to make inroads in the Russian market," concluded Rossouw.

Source: iol.co.za- Oct 25, 2017

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## FTAs: myth posing as policy

It's time to close the gap between trade diplomacy and economic reality. Australian Trade Minister Steven Ciobo expects negotiations for a free-trade agreement (FTA) with Indonesia to be completed by November.

In view of the government's commitment to these agreements it is time to clarify the objective of trade policy, to review how Australia's free trade agreements are being negotiated and to identify what needs to change.

Australia's experience in the Uruguay Round of multilateral negotiations confirmed its major gains from trade negotiations come from reforming its own trade barriers.

The government's goal in negotiating FTAs, however, is limited to gaining access to foreign markets.

As a result of this limited objective, the clarity of what is at issue in trade policy - to secure the gains in national wealth from engaging in trade on the basis of what Australia does best -has been translated into the language of trade diplomacy. And much gets lost in translation.

### Allocative efficiency

In this approach, the ongoing gain at issue for Australia's economy - improved allocative efficiency -has become the accidental result of what negotiators happen to agree about in the to-and-fro of negotiations, rather than a central objective in deciding which domestic barriers to offer in negotiations.

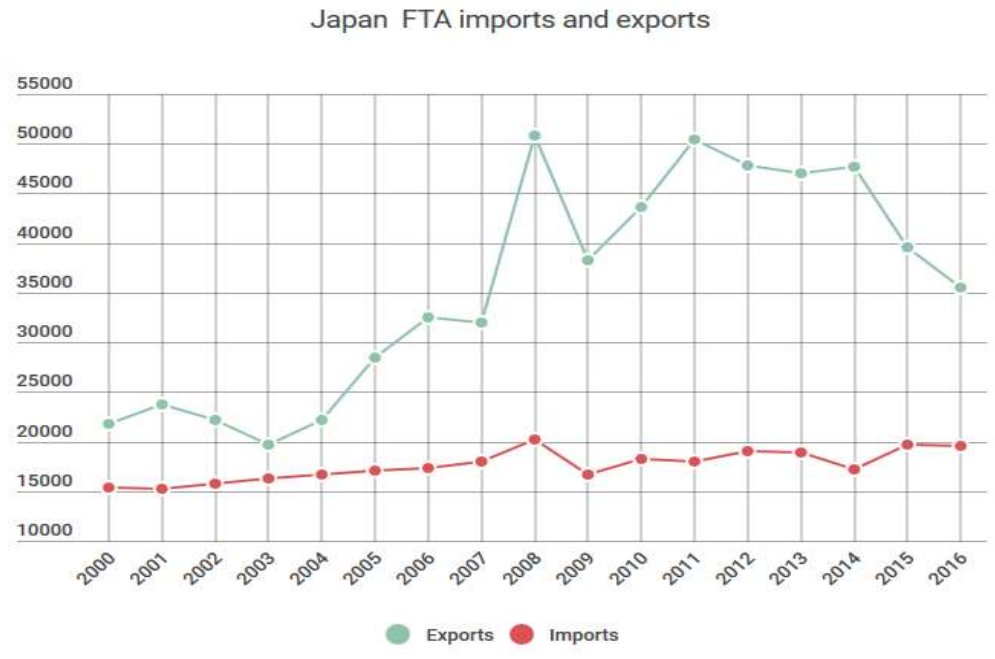
The folly of approaching negotiations in this way is no longer in doubt, and the value of Australia's free-trade-agreements is increasingly being challenged-- most recently by the Queensland government, which believes they disadvantage Queensland export industries.

In each of the agreements completed to date the 'scoping' and 'feasibility' studies released prior to negotiations projected the maximum possible gains available for Australia. They did not -and could not - project what was actually achieved in the subsequent negotiations. In each case the outcome for Australia was limited to the gains from winning preferential access to (just some) external markets.

This meant the estimate of potential gains made available by the government at the outset conveyed nothing about what Australia achieved from the ensuing negotiations.

Yet in each case the studies prepared before negotiations began were the basis used to win public support for the agreements after they were signed, leaving us to conclude they reflected the negotiated outcomes for Australia. As a result of this misleading process each agreement has received public support, because we have had no basis for questioning the myth each has brought enormous benefits to the economy.

That has now changed.



## Reliable assessment

The Productivity Commission developed an analytical framework to assess the economy wide effects of the free-trade-agreement with the US (AUSFTA) in 2010 but at that stage not enough time had passed to enable a reliable, evidence-based, assessment of the agreement's impact.

Shiro Armstrong, a respected ANU economist, has now used the analytical framework developed by the Productivity Commission, and the decade of performance data now available since AUSFTA came into force, to conclude "the data shows....Australia and the United States...are worse off than they would have been without the agreement."

He has suggested the agreement was responsible for “reducing — or diverting — $A53.1 billion of trade with the rest of the world."

Armstrong's colleague at the ANU, Peter Drysdale (the architect of APEC), has measured that cost in terms we can all understand.

"Australia alone has suffered trade losses the annual equivalent of the current price of around 18 Japanese, German, Swedish or French submarines through this deal," he says.

This does not mean a strong trading relationship with the United States is not in Australia’s interests. But it does mean such a relationship, offering the substantial benefits promised, has not emerged from the bilateral agreement negotiated.

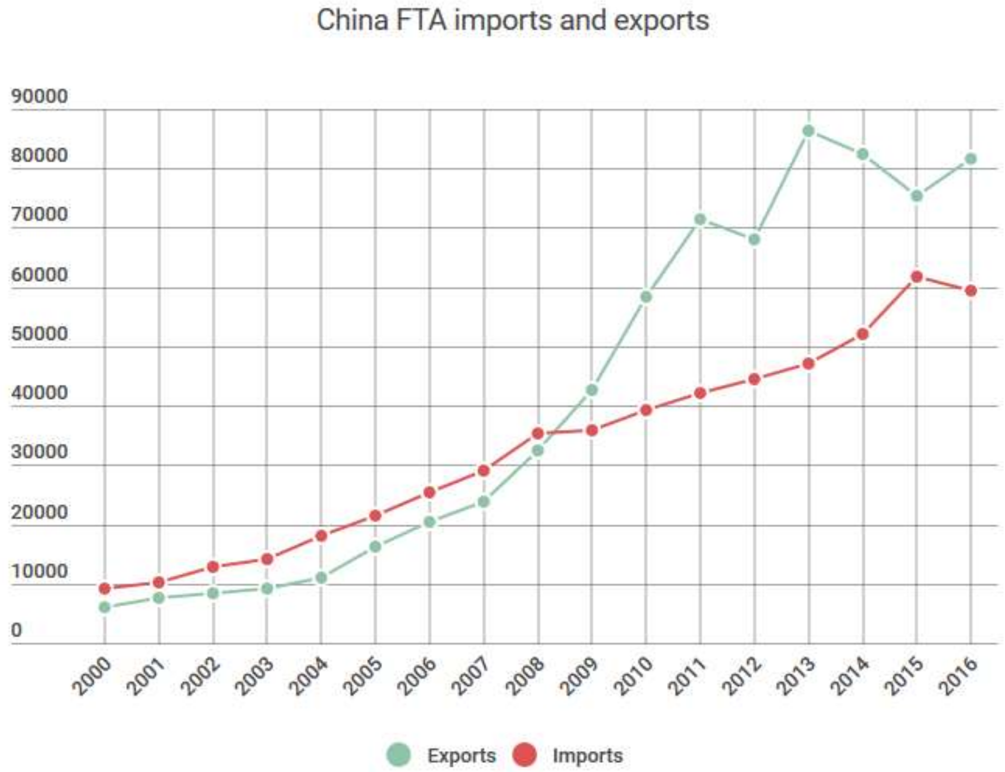
As economist Saul Eslake has reminded us, Australian economists “have long recognised that most of the benefits from trade liberalisation come from reducing Australia’s own trade barriers, rather than from foreigners reducing theirs — notwithstanding the way trade negotiations are usually portrayed by governments as a matter of reluctantly making ‘concessions’ to foreigners … in exchange for them making ‘concessions’ to us.”

Eslake’s message was confirmed by Australia’s approach in the Uruguay Round. Australia had reduced its trade barriers unilaterally during the 1980s — not to meet its commitments in the Uruguay Round but for purely domestic reasons — to secure the gains in national wealth from improving allocative efficiency.

Those unilateral reductions were subsequently offered - and accepted - in Uruguay Round negotiations to meet Australia's market opening commitments. That produced the win-win outcome Australia should be seeking from all trade agreements.

When we fail to structure our market opening offers to improve domestic allocative efficiency, by reducing the barriers protecting Australia's less competitive industries, we forgo the major gains from negotiations.

These efficiency gains strengthen the economy not by enabling us to "produce more" (that is, not by doing more of what we are already doing) but by moving from things we do less well to those we do better.




## Worthwhile

In negotiating the FTA with the United States, for instance, Australia gained no worthwhile access for beef (in which we are world competitive) for the next eighteen years, but secured immediate and unrestricted access to the US market for Australia's motor vehicle industry (one of its least-competitive industries).

If we are to close the gap between trade diplomacy and economic reality, we need to respect three lessons from experience : first, the major gains available from trade agreements depend on what we take to the negotiating table, not what we hope to take away from it; second, liberalising through trade negotiations cannot be pursued simply as an extension of foreign policy ; and third, as the Joint Standing Committee on Treaties (JSCOT) has recommended on a number of occasions, future agreements should be subject to cost-benefit analysis before ratification.

The Department of Foreign Affairs and Trade (DFAT) has defended its limited role in negotiating access to external markets on the grounds the scope for reducing Australia's own trade barriers has been exhausted.

In the same year as this defence was published, in October 2015, the Productivity Commission (PC) reported assistance to Australian industry (that is, remaining trade barriers) exceeded $A17 billion.

Australia's tariffs are now quite low, but the PC's assessment confirms non-tariff "behind-the-border" barriers are now the major part of those remaining barriers. These can only be removed as part of domestic reform. In defending the secrecy with which trade policy has been conducted negotiators argue public involvement would compromise their position in trade negotiations. But there is no conflict between the need for secrecy during negotiations and a Productivity Commission involvement which introduces a public input to negotiating agenda.

Both objectives can be met by a process in which the Productivity Commission conducts a public inquiry and reports on Australia's market opening offers before negotiations get under way. The Commission's report would be released only when negotiations were complete, but before future agreements are ratified.

This modest change would allow the community into the debate about trade policy. It would also remove the general disquiet about secrecy during negotiations, by providing a basis for parliamentary and public scrutiny of the outcome before future agreements are ratified.

The change has been supported on several occasions by Parliamentary committees reviewing free-trade- agreements. When it was recommended again recently by the Joint Standing Committee on Treaties, trade minister Ciobo formally rejected it on the government's behalf.

The limitations of the present approach, which is now enshrined as government policy, cannot be waved aside as of little consequence. Each new negotiation provides an opportunity for economy-wide gains which enhance national welfare.

Why wouldn't Australia seek to benefit from those opportunities, as it did in the Uruguay Round?

Source: bluenotes.anz.com - Oct 25, 2017

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## Uzbekistan holds international cotton fair

The 76th Plenary Meeting of the International Cotton Advisory Committee and the 13th International Uzbek Cotton and Textile Fair are being held in Tashkent, the Jahon information agency reports.

At the meeting of this committee held last year, a decision was made to conduct a conference in Tashkent on the subject "Cotton in the era of globalization and technological progress", which confirmed the strengthening of the international status of Uzbekistan as one of the major centers of the cotton and textile industries.

About 1500 specialists from more than 50 countries are taking part in the work of the meeting and the fair in Tashkent.

The International Cotton Advisory Committee was established in 1939. It currently includes organizations such as the Standing Committee, the Task Force on Commercial Standardization of Instrument Testing of Cotton, the Expert Panel on Social, Environmental and Economic Performance of Cotton Production, the Expert Panel on Biotechnology, the International Forum on Development of Cotton Industry, the Expert Panel on Ginning Methods, as well as a number of key structures aimed at development of the sphere.

International Uzbek Cotton Fair is also included in the list of important events of the International Cotton Advisory Committee, which is one of the prestigious forums that determine the policy of the cotton market on a global scale.

The volume of cotton fiber processing in Uzbekistan is increasing. If only 3-5 percent of fiber was processed in the country in the early 1990s, now this figure has exceeded 50 percent.

The commissioning of new capacities even in the most remote regions and modernization of existing enterprises are contributing to the expansion of the scale of work in this direction. The goal is to achieve a 100% processing of domestic cotton fiber inside the country by 2020, and to export high-quality finished products with added value.

Within the framework of the fair, it is planned to hold master classes with participation of designers from South Korea and Uzbekistan and training seminars on issues of expansion of textile exports to the EU countries.

Source: timesca.com - Oct 25, 2017

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## Uzbekistan signs contracts worth over $1B for textiles export

Uzbekistan, the world's sixth-largest cotton producer, aims to further increase incomes to the national economy by exporting this strategic crop.

Uzbekistan has signed contracts for the export of finished textile products and semi-finished products for more than $1 billion following the 13th International Uzbek Cotton and Textile Fair.

Large contracts were signed with companies from Russia, Turkey, South Korea, Singapore, Moldova and other countries.

Representatives of foreign purchasing companies noted the quality and price parameters of Uzbek textile.

At the same time, the process of contracting continues, and more accurate figures for exports will appear later. The same applies to data on cotton fiber contracting.

Last year, Uzbekistan signed contracts for the sale of textile products for 550,000 tons of cotton fiber worth more than $1.32 billion.

In general, the 76th plenary meeting of the International Consultative Committee for Cotton and the XIII International Uzbek Cotton and Textile Fair will last until Friday, when the final figures will be announced.

This year around 1500 specialists from more than 50 countries take part in the events.

Uzbekistan will achieve full processing of cotton fiber in 2021. By 2020, the capacity of local enterprises will ensure the full processing of cotton produced in Uzbekistan, which can lead to a significant decrease in the export supplies of this crop. Only in 2017, the country intends to bring internal processing of cotton fiber to 70 percent.

At the same time, by 2021 the production of textile and clothing and knitted products will increase by 2.2 times compared to 2016, including ready-made fabrics - 2.7 times, knitted fabrics - 3 times, knitted goods – 3.4 times, hosiery – 3.7 times. It is planned to increase the export of products by 2 times.

One of the policy priorities of Uzbekistan, the world's fifth-largest cotton exporter, is further development of its textile industry. Annually, the country grows about 3.5 million tons of raw cotton, produces 1.1 million tons of cotton fiber.

Uzbekistan takes consistent steps to increase the volume of cotton fiber processing. In particular, it is planned to create 112 modern, high-tech industrial factories, expand, modernize and technologically upgrade 20 operating capacities. All this will increase the export potential of the industry up to $2.5 billion a year and create more than 25,000 jobs.

In the period 2010-2014, the textile industry of Uzbekistan received and spent foreign investments worth $785 million while 147 new textile enterprises with participation of investors from Germany, Switzerland, Japan, South Korea, the U.S., Turkey and other countries were commissioned. Export potential of these enterprises amounted to $670 millions.

Source: azernews.az- Oct 25, 2017

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## Pakistan slashes sales tax on finished textiles to 6%

Pakistan's Federal Board of Revenue (FBR) has reduced the sales tax rate on imported finished goods of textile and leather sectors to six per cent from the earlier 17 per cent.

The new tax rate would be applicable only if the products are for consumption in the domestic market and are ready-to-use by the general public, FBR said in a notification.

FBR's SRO 1070(I)/2017 amends its earlier notification number SRO 1125(I)/2011 dated December 31, 2011.

Source: fibre2fashion.com- Oct 25, 2017

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## Belgium: EU4Business to study Armenian textile, apparel industry

The EU4Business Support to Small and Medium Enterprises (SMEs) Development in Armenia (SMEDA) project has invited applications from companies, experts or consortia for a sectoral study of the textile, apparel, leather, shoes, and fashion design businesses in Armenia.

The study will comprise mapping, analyses and roundtables and workshops with stakeholders.

The deadline for applications is November 8, according to a press release from EU4Business.

The European Union's EU4Business initiative helps SMEs with finance, support and training with assistance from organisations, such as the European Bank for Reconstruction and Development and the European Investment Bank.

The textile and apparel industry is one of the 11 strategic export-oriented sectors in Armenia. However, SMEs in that sector operate far below capacities and their products lack competitiveness in regional and international markets. The Armenian Government considers the revival of the sector as a priority.

The study will improve the strategy of the sector and strengthen cooperation among companies by establishing a cluster.

Source: fibre2fashion.com- Oct 25, 2017

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## Vietnam: Textile & garment projects revived, but face new barriers

Trillions Enterprise, an investor from Brunei, which has a dyeing and weaving factory in Tan Duc IZ in Long An province, has asked for five more hectares of land in the IZ to scale up its production.

Long Thai Tu Yarn, a South Korean enterprise, has decided to invest $50 million more to expand the workshop in Long Khanh IZ in Dong Nai province.

In Binh Duong province, Taiwanese Far Eastern has registered additional investment capital of $485.8 million, raising its total investment in Bau Bang IZ to $760 million after two years of operation.

A representative of the group admitted that it registered investment in Vietnam in 2015 to take full advantage of TPP. However, the manufacturer won't change its plan even though the US withdrew from the agreement.

According to the Foreign Investment Agency (FIA), the project registered by Far Eastern is among five projects with largest registered investment capital licensed in the first eight months of 2017.

Unlike three years ago, there have been not many large-scale new FDI projects in the textile & garment sector this year. However, investors are expanding their operating projects.

Some Vietnamese enterprises have also stepped up investment. Bao Minh Textile has invested $75 million in a project to make high-quality cloth in Nam Dinh, expected to become operational by March 2018.

According to Vu Duc Giang, chair of Vitas (Vietnam Textile & Apparel Association), the investment capital poured into the textile & garment sector this year has been $2 billion. Though enterprises no longer look forward for the tax cut to zero percent, Vietnam remains a big garment exporter globally

Vietnam textile & garment export turnover in the first seven months of the year reached $17 billion, up by 9.94 percent over the same period last year.

Vitas, noting that the input material imports increased by 18.76 percent, valued at $11.1 billion, has predicted that total export turnover in 2017 may exceed the target of $30 billion.

According to Vitas, besides TPP, Vietnam's textile & garment industry still enjoys benefits from other FTAs, including ones with the EU, South Korea and Japan.

Vietnam now holds only 3 percent of the market share in the EU, which means it still has opportunities to boost exports to the market.

The Ministry of Industry and Trade has warned that export markets have increased their trade remedies against Vietnam's products. India imposed a tax of 35-45 percent on Elastomeric Filament Yarn.

Source: vietnamnet.vn- Oct 25, 2017

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# Technology changing the dynamics of cotton crop production in the US

Like every other industry, textile and specifically cotton producers need to get tech savvy to become more efficient and profitable. In the US, Randy Norton, Director, University of Arizona's Safford Agricultural Center (SAC), has been mulling over the possibility of tech intervention for sometime.

Currently, he is researching on 38 cotton projects in the Grand Canyon State (mostly varietal trials) designed to evaluate inputs, reduce costs, protect the crop, and increase yields.

During his work, he found out equipment is a major expense on cotton growers' operations, including the infamous cotton picker. Today's price tag for a new round bale picker or a square bale module picker is in the $750,000 ballpark; which is exorbitantly high. With new pickers, you need just one or two people and one machine to harvest the crop. This allows the grower to accomplish multiple tasks in a single pass. It's a tremendous cost savings for growers, Norton said.

## Picker technology

Norton points out the latest pickers eliminate the need for multiple buggies and module builders to service one older standard picker and its fiber load, and the employees to operate it. New systems allow growers to focus their employees on more important and timely tasks.

Another benefit of 'all-in-one' pickers is the operational speed. Older pickers traveled down cotton rows at a snail's pace from 2 to 2.5 miles per hour (mph).

Today's pickers about double this with a 5 to 5.5 mph picking speed, covering more ground in less time, which saves the grower money. New picker benefits and other technology are changing the harvest landscape in Arizona and across other cotton-growing areas.

With higher picker costs, more producers are shifting to custom harvested cotton. In southeastern Arizona's Cochise County, about 75 per cent of the cotton is now custom harvested.

As far as crop protection is concerned, Arizona cotton farmers used to spray an average of 15-plus times per season to control a handful of different pests. Today, the average is less than two sprays per season. Norton added that today's transgenic cottonseed technologies combined with specific targeted insecticides have really made insect control much more efficient today.

**Water use**

Advances in irrigation continue to improve water use efficiency in irrigated Arizona cotton. Norton estimates consumptive water use in cotton is about 40-45 inches per acre. With lower irrigation efficiencies, it may take up to 60-65 inches to meet the demand and also manage higher salinity levels in the soil. Cotton can withstand electrical conductivity in the soil up to 7-8 decisiemens per meter before you see yield decline.

It's a very salt tolerance crop. Different growing stages of the cotton plant are more sensitive to salt, including seedlings. To combat salt, many Arizona growers use alternate furrow irrigation to push salt across the seed row. In Buckeye located west of Phoenix, cotton is planted dry and then irrigated up every other row to push the salt line across the seed row.

Most Arizona cotton fields use a furrow-flood type irrigation system with more than 50 per cent water efficiency, and reused tail water on another field. The maximum efficiency for this irrigation system is about 70 per cent.

In sprinkler and drip systems, water use efficiency tops out at about 80-90 per cent efficiency. In the Coolidge area of Pinal County, many growers are flooding cotton on the flat without furrows. They can flash water more quickly on the field to gain higher water use efficiency.

Source: fashionatingworld.com- Oct 25, 2017

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## Returns become new front in Walmart-Amazon battle

As Walmart and Amazon battle for dominance of all aspects of shopping, Walmart is hoping to steal a march via one of the oldest problems in retail: returns. With the all-important holiday season approaching, Walmart says it will streamline its returns process so that customers can be in and out of a store in about 30 seconds, compared to an average of five minutes earlier this year.

The rise of online shopping has made consumers more prone to returning items, and Walmart is looking to respond. Between 15 and 30 per cent of purchases made over the internet end up being returned, analysts estimate, compared to less than 10 per cent of in-store purchases. Returns are even more common when people buy clothing or shoes online, because they cannot try them on before buying.

The world's largest retailer said it would give customers refunds on certain household goods, including shampoo and make-up, without asking them to physically return the product at all — meaning Walmart will swallow the cost. Customers "will no longer have to send off their product and wait days for an online return to be credited", the company said. "Given 90 per cent of Americans live within 10 miles of a Walmart store, it's never been faster or easier to make an online return."

The plans are part of Walmart's push to use its extensive physical presence as an advantage over Amazon. Competition in ecommerce has so far focused on getting products to customers as fast and cheaply as possible. Amazon has led the pack with two-day shipping, and even delivery in a few hours in some US cities, for customers of its Prime subscription service.

While Amazon has tested futuristic technologies such as drones, Walmart has focused on leveraging its bricks-and-mortar assets. The company earlier this year unveiled a programme for store employees to deliver online orders to shoppers' doorsteps, and has expanded in-store pick up of groceries and other online orders.

Walmart's new returns process will be centred on its mobile app. Customers can initiate the return by tapping a button in the app, and then go to a store, scan a code from their smartphone and hand the return to a store employee on a "fast track" line. The process will be rolled out starting in November for online sales, and next year for in-store purchases.

Despite a year that ravaged US retailers, bringing bankruptcies and store closures, an industry group last week predicted that holiday sales will increase between 3.6 and 4 per cent, to about $680bn, helped by rising consumer confidence and a healthy jobs market.

Source: ft.com - Oct 24, 2017

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## Myanmar garments exports may fetch $3 bn this fiscal

Export earnings from the garments sector in Myanmar are likely to exceed $3 billion this fiscal with the European Union topping the list for garment export orders, followed by Japan, South Korea and other countries, according to statistics compiled by the Myanmar Garment Entrepreneurs Association (MGEA). Garments constitute 16 per cent of its total exports.

Myanmar's garment units operate on the cutting-making and packaging (CMP) system and are striving to transform into the free on board (FOB) system.

The government has also received several investment proposals in the garments sector, especially from China, according to a report in a Myanmarese newspaper.

Until mid-September of fiscal 2016-2017, the sector earned nearly $714.24 million, up nearly $336.42 million compared with the same period the previous fiscal.

Myanmar earned more than $1 billion from garment exports between April and early September this year, making apparel the second leading item in the export sector, according to the country's commerce ministry. Garment exports were estimated to be worth $2 billion in fiscal 2016-17.

Source: fibre2fashion.com- Oct 25, 2017

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# Cambodia: GMAC: Garment exports to grow 5%

Exports of garments and footwear products will grow by five percent this year, with similar growth rates expected for the next five years, a representative of the Garment Manufacturers Association in Cambodia (GMAC) said yesterday.

Ken Loo, the secretary-general of GMAC, said garment exports will be expanding at a rate of five percent by the end of the year, adding that he expects similar growth in coming years if certain issues hindering the industry are addressed.

Issues now hampering the sector are high production costs, low productivity and access to a limited number of markets, Mr Loo said.

"If we take care of these issues, the industry will continue to grow," he said. "When the minimum wage is raised to $170 in January, more factories will encounter difficulties if things don't change. We hope there is a change in productivity, a reduction in the cost of doing business and new governmental policies to help investors," he added.

Exports in the sector already increased six percent during the first nine months of the year, compared with the same period in 2016, Mr Loo said.

According to Kao Kosal, the director-general for trade support service at the Ministry of Commerce, Cambodia's total export volume reached $9 billion from January to September this year.

Eighty percent of that trade consisted of garments or footwear.

Mr Kosal, speaking during the Cambodia Textile Summit, said the government is working on getting access to more markets for locally manufactured garments, as well as negotiating more favourable trade deals with the European Union and the US.

Twenty-five new garment factories have begun operations since the beginning of the year, but 53 have closed, alleging high costs as the reason for discontinuing operations, according to GMAC's figures.

Exports of garments and footwear products rose 7.2 percent last year, reaching $7.3 billion.

Source: khmertimeskh.com- Oct 25, 2017

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## Global Yarn and Fabric Output Increased in Second Quarter, Led by Brazil and Asia

Global yarn production and fabric output increased in the second quarter and is expected to stay stable in the third, increasing in the last three months of the year, according to the International Textile Manufacturers Federation quarterly report.

Global yarn production rose 11 percent in the second quarter compared to the previous three months, led by a 12 percent gain in Asia and an 11 percent increase in Brazil. Yarn production decreased 10 percent in the U.S. and 18 percent in Africa in the same period. Overall, global yarn production was slightly higher than year-ago levels, ITMF said.

Global fabric production improved nearly 9 percent in the quarter, with a 10.4% increase in Brazil, a 9.8% gain in Asia and a 9.2% hike in Africa. Overall, global fabric output rose 4 percent compared to the second quarter of 2016.

Global yarn stocks fell 1 percent in the quarter, as Asia, Europe and Brazil saw their yarn inventories increase 0.7%, 2.3%, and 11.5%, respectively, but the world average was driven down by a 12 percent decrease of yarn stocks in Egypt.

The stocks' improvement of 13 percent in comparison to the year-ago period included declines of 40 percent in Brazil and 3 percent in Europe, balanced by increases of 10 percent in Asia and 112 percent in Egypt.

Worldwide fabric stocks rose 3.3% in the period, driven by a 23 percent increase in Brazil. Global fabric inventories in the quarter decreased 8 percent compared to a year earlier, with Brazil falling 30 percent, Europe rising 7 percent and Asia and the U.S. fairly stable.

European yarn orders fell 7 in the period from the first quarter, with reductions of 6 percent and 4 percent recorded in Brazil and Asia, respectively.

A 9 percent increase in global fabric orders quarter to quarter was driven by a 13 percent gain in Brazil and 16 percent rise in Egypt. During the quarter, fabric orders were stable in Asia and down slightly in Europe.

ITMF said estimates for the third quarter “indicate a stable trend in both global yarn and fabric production,” while for the fourth quarter “the global outlook for both yarn production and fabric output signal further rise.”

Source: sourcingjournalonline.com- Oct 25, 2017

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# NATIONAL NEWS

## Maharashtra needs to ramp up development portfolio to lure investors

With Gujarat government extending its textile policy for another five years, Maharashtra is also redrafting its textile policy for 2017-22, which expired in March 2017.

The earlier textile policy aimed at attracting investments, especially in the Vidarbha region, and the government was optimistic about raking in investments worth Rs 40,000 crore and creating 11 lakh jobs. However, from 2012-17, the target has not been met.

State government analysts estimated investments in textile projects approved by financial institutions and in various phases of enforcement by March 2017 amount to Rs 16,371 crore, with the potential to generate 2.50 lakh jobs. But due to lesser government thrust, lack of interest from investors, poor state of infrastructure, growth targets were not been met.

A comparative study of IEMs implemented in Gujarat and Maharashtra during 2014-15, revealed Gujarat implemented 19 textile projects comparatively in Maharashtra, no textile project were started during the year. In 2013-14, Gujarat received 20 projects, while Maharashtra got three.

Only a few big players like: Raymond, Siyarams, Suryalakshmi Mills and some public private partnerships, who have set up units in Vidarbha. Around 30 textile units of varying sizes have come up in the region during the policy period.

The state has 16 textile parks, employing 23000 people. Another nine textile parks, announced by the state government, are in the pipeline. These haven't been successful so far in enhancing production and employment. Most of the investments have gone to Gujarat, Tamil Nadu.

To lure investments, the government taken various initiatives like: reducing the number of permissions required to set up units; cutting down bureaucracy. Yet other states are attracting more investments.

## Initiatives taken

In January 2017, the Maharashtra government had announced plans to set up a garment park with an investment of Rs 300 crore at Solapur. This will generate employment for over 60,000 workers. The aim is to make the park a hub for uniform manufacturing.

At present, Solapur has over 1000 garment units stitching uniforms worth Rs 1000 crore, employing over 60,000 workers. The government announced the setting up of a textile park in Sayane near Malegaon. The Maharashtra Industrial Development Corporation's (MIDC) regional office has acquired 113 hectares of land for the proposed textile park. But the progress has really been slow.

Maharashtra has attracted more than half of total FDIs in the country. The government has evolved an agro-industrial module for development of 20 districts along the Rs30,000 crore Nagpur-Mumbai Super-communication Expressway. Apart from constructing the 690-km stretch eight lane roads, the government has drawn up two major plans for development of metros and drought-hit districts.

The Centre and the state have taken decision on two dry ports at Jalna and Wardha. It is envisaged to make Nashik an industrial hub, Amravati a textile hub, and Aurangabad an industrial and tourism hub, through public-private partnership. Already, eight textile projects are under way in Aurangabad, according to government officials.

## Vision 2025

By 2025, Maharashtra aims to be a $1 trillion economy, with investments mainly in infrastructure, IT, ICT and services sector.

A report by FICCI-SPJIMR, highlights Maharashtra, with a GDP of $0.25 trillion, is the richest state in India, followed by Tamil Nadu ($0.17 trillion) and Uttar Pradesh ($0.16 trillion). Maharashtra reported a nominal gross state domestic product of $0.29 trillion in 2015-16. Thus, Maharashtra needs to grow by $0.71 trillion in the next nine years, i.e. over 2016-25, to achieve the $1 trillion-state status.

The state would have to grow at a CAGR of 14.4 per cent in real terms to attain this mark by 2025. Compare this to the real rate of growth achieved in 2015-16 of 8.5 per cent, and the challenge becomes stark.

The Handbook Of Statistics On Indian States reveals the investment rate in Maharashtra in 2014-15 was only 3.5 per cent. For Maharashtra to achieve 14.4 per cent growth by 2025, investment in the state will need to grow to at least 12.24 per cent per year from the current investment rate.

Source: fashionatingworld.com- Oct 25, 2017

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## Surat's textile workers heading home to Telangana

From Gujarat's textile hub Surat, hand looms and textiles workers are headed home to Telangana state.

A large number of weavers from Sircilla in Karimnagar district and other parts of Telangana state work in Surat. They had left their homes decades ago.

Responding to a call given by chief minister K Chandrasekhar Rao, weavers are showing interest to return to work in Telangana as employment opportunities have been promised.

At a huge public meeting that he addressed in Warangal on October 22, KCR had invited those from Telangana who had gone to Surat to work there to return home. The CM spoke after laying the foundation stone for the Kakatiya Mega Textile Park in Warangal.

Some textile workers from Surat met industries minister K T Rama Rao at Pragathi Bhavan, camp-office of chief minister K Chandrasekhar Rao. They expressed their happiness at the government taking interest in textile workers.

They said the workers and their families had been constrained to leave home and go to Surat and other places to eke out their livelihood. They said this was the first time that a government had given a thought about asking them to return and creating employment opportunities for them. They said a large number of hand loom workers were eager to come back to Telangana from Surat and Bhiwandi in Maharashtra.

K T Rama Rao advised the workers to equip themselves better in order to be able to meet the employability requirements. The minister also urged those who have set up small industries at different places to think of coming to Telangana where a positive atmosphere has been created.

Source: timesofindia.com- Oct 25, 2017

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## How Gujarat bonus offer firmed up Maharashtra cotton prices

Cotton prices in Maharashtra have firmed up to Rs 4,600-4,700 per quintal after the Gujarat government announced a bonus of Rs 100 per 20 kg for cotton (Rs 500 per quintal) to be paid to farmers. The bonus will be paid over and above the minimum support price (MSP) declared by the government.

It will be given only to those farmers who sell their crop to Cotton Corporation of India. With traders from Gujarat making a beeline for cotton from Khandesh — the major cotton growing belt in the state — ginners in the region are finding it difficult to get cotton for their units.

Most units are barely getting 40% of the installed capacity of cotton and the demand from Gujarat has led to the rise in prices, Pradeep Jain, president, Khandesh Gin/Press Factory Owners Association said. Cotton prices were around Rs 4,400-4,500 per quintal and prices have now risen following the announcement of the Gujarat government, he pointed out.

Since the farmers are finding it more remunerative to sell cotton to traders, ginning units are finding it difficult to source cotton for their units, he said. Gujarat and Khandesh are geographically close and as cotton begins arriving into the markets of Khandesh well before Dussehra, traders from Gujarat find it more remunerative to purchase cotton from this region, industry sources said.

According to Jain, cotton from Khandesh is of superior quality while that from Gujarat is poor in comparison. Therefore, traders purchase cotton from Maharashtra and mix it along with cotton from Gujarat to get a better price, he revealed.

The association has been demanding a tax on the movement of cotton outside the state without much success, he said. Moreover, traders also end up moistening cotton purchased from Khandesh and since they do not have to pay any VAT or duties, they end up making a profit of nearly Rs 25,000 per truck, he alleged. Around 4,000 to 5,000 quintals of cotton are taken to Gujarat on a daily basis.Maharashtra processes about 80 lakh bales annually and has a capacity of producing 1 crore bales. Around 60,000 labourers are working in cotton factories in the state and majority of the units are located in Marathwada region.

Maharashtra cooperation minister Subhash Deshmukh has directed Agriculture Produce Market Committees ( APMC) to commence online registrations of farmers for the purchase of cotton from October 18 for the cotton season of 2017-18. Cotton MSP has been raised by Rs 160 per quintal to Rs 4,020 per quintal for medium staple cotton and `4,320 per quintal for long staple cotton.

CCI and Nafed are the two agencies appointed by the government to extend the necessary marketing support to the cotton growers in selling their cotton produce at most competitive prices in the various market yards in all cotton-growing states. These in turn appoint sub- agencies to procure cotton at the local level as well. Cotton Corporation of India (CCI) chief MM Chokalingam had said that cotton prices have not reached MSP levels and were at Rs 4,320 per quintal.

The total production for the season of 2017-18 is likely to touch 370 lakh bales as against 345 lakh bales for the previous season. As per the agriculture ministry, cotton had been sown on 111.55 lakh hectares till July 28, as against 92.33 lakh hectares witnessed for the same time last year, thereby indicating an increase of close to 21 % acreage.Maharashtra has registered kharif cotton sowing of over 38.47 lakh hectares, while in Gujarat the area stood at 25.84 lakh hectares.

Source: financialexpress.com- Oct 26, 2017

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# Germany, UK will gain the most from an India-EU free trade deal

Germany and the UK will witness the highest absolute gains if the proposed Free Trade Agreement (FTA) between India and the European Union (EU) is concluded, states a study conducted by the Bertelsmann Stiftung of Germany.

Speaking at a round table on EU-India FTA organised by *BusinessLine* in association with the Bertelsmann Stiftung, Deputy Head of Mission of the German Embassy in India, Jasper Wieck, said: “We are afraid that those opposed to the India-EU FTA will keep finding reasons to delay it.”

“Some fear that the FTA will put domestic players at unease. But protecting existing investments is also a part of the FTA negotiations. I object to the notion that an FTA would put the domestic auto industry in India at risk from German counterparts.”

The study also suggested that if the UK exited the EU, India will stand to lose almost 21 per cent of the proposed gains from the FTA, which is officially called the Broad Based Trade and Investment Agreement (BTIA). As a result, India will then have to negotiate a separate trade pact with the UK to compensate for the losses, the study said.

Counsellor, Trade & Economic Affairs, EU Delegation in India, Marika Jakas, said, “We are keen on an FTA with India. The EU wants more market access in India for textile and agriculture sectors. There are very few bilateral investment treaties that have not yet expired. We have a very good reason to get FTA negotiations going to protect existing investments.”

However, Jakas said all sticky issues will be discussed when the chief trade negotiators from both sides meet next month to take stock of the matter and how to kickstart the stalled talks.

## Data adequacy issue

On the controversial issue of data adequacy, one of India’s long-standing demands, Jakas said it cannot be discussed under the FTA as per EU rules. She said the issue of granting India ‘data-secure’ status can only be negotiated separately.

Arpita Mukherjee from ICRIER stated that for a successful conclusion of any trade agreement, it is imperative for all the line ministries to also take part in the ongoing negotiation and not just leave it to the Ministry of Commerce and Industry.

For example, she said, when sensitive matters such as market access for agricultural items are being discussed, it is critical that the Agriculture Ministry gets involved in the talks.

According to Ranja Sengupta of the Third World Network, issues concerning labour and environmental standards can be discussed under a broader gambit of sustainable development.

For democracies, FTAs are not merely a function of economic benefit, *BusinessLine* Editor R Srinivasan said. “The fundamental challenge is that agreements happen when the leadership feels it can politically sell it. For Prime Minister Narendra Modi, it will be difficult to sell an FTA with the EU as domestic businesses will say it increases competition and can lead to job losses,” he pointed out.

Source: thehindubusinessline.com- Oct 26, 2017

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## No dilution of India, EU trade pact: official

Even as India and the European Union are yet to finalise a date for re-launching their Free Trade Agreement negotiations stalled since 2013, both sides are not considering a scaled-down version of the pact with a view to somehow expedite the conclusion of the talks by lowering ambition, an EU official said.

The negotiations on the Broad-based Trade and Investment Agreement, had begun in 2007 in order to ensure greater access to “each other’s markets for goods, services and to public procurement contracts”, and establish “the framework for investment, including investment protection.” This, in addition to framing rules on intellectual property and competition. The pact was also to include provisions on “sustainable development, to ensure growth in trade is in tandem with the environment, social and labour rights.”

At a round table organised by *The Hindu BusinessLine* and Germany's Bertelsmann Stiftung, Marika Jakas, Counsellor and Head of Trade and Economic Affairs, Delegation of the EU to India, said, "Our goal is to have a broad..., deep, comprehensive and ambitious FTA. [Signing an] An early harvest scheme [that aids the two sides to identify a limited number of areas pending the conclusion of FTA talks] is not... an option being considered."

She also said that generally in trade pacts, there is a possibility to agree on longer transition periods for tariff reduction/elimination, where both the sides need not have to eliminate duties from day one of the implementation of the FTA, but gradually over an agreed period of time.

At the recently held India-EU Summit, President of the European Commission, Jean-Claude Juncker had said, "We agreed that we should take our trading relationship to the next level. It is high time for an FTA between India and the EU. Once the circumstances are right -- and only once the circumstances are right -- we will resume." He added that, "Our chief negotiators will next sit down in November to chart a way forward."

According to a study by Bertelsmann Stiftung, "At the sectoral level, the Indian business services and textiles sectors would - in absolute terms - be among the winners from a (India-EU) trade agreement... In these sectors, India has a clear comparative advantage.

Correspondingly, on the losing side, there are sectors where Indian firms are barely competitive in relation to their European competitors, such as motor vehicles or minerals." The study added, "Generally speaking, the EU should keep in mind that India is still a relatively poor developing country and needs a generous amount of time and flexibility to adapt to the structural changes brought about by a potential FTA."

According to the Delegation of the EU to India "Substantial progress has been made (in the FTA negotiations), even if some outstanding issues have impeded the finalization of the negotiating process.

Key areas that need to be further discussed include improved market access for some goods and services, government procurement, geographical indications, sound investment protection rules and sustainable development."

The impasse in the FTA negotiations is due to issues including India's demand for a 'data secure' status (important for India's IT sector to do more business with EU firms) as well as to relax norms on temporary movement of skilled workers. There are also differences over the EU's pitch for elimination of India's duties on goods such as automobiles and wines and spirits.

Source: thehindu.com- Oct 26, 2017

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## India fast catching up with Bangladesh


The Indian government's massive stimulus package of Rs 60 billion, or $894 million, for boosting its garment sector is bearing fruit as the neighbouring country is progressively eating into Bangladesh's share in global apparel trade.

For instance, India last year was the third biggest exporter of garment items to the US, which happens to be Bangladesh's single largest export destination.

In the first eight months of this year, India climbed up to the second spot, while Bangladesh slipped from the fourth position to the sixth, according to the US Department of Commerce.

"The rise of the Indian garment industry's competitiveness means we are losing our work orders to some extent," said Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association.

Thanks to the stimulus package, Indian manufacturers can offer lower prices and are fast catching up with their Bangladesh counterparts.

In 2016, India's share in the global apparel trade was 4 percent and Bangladesh's 6.4 percent, according to World Trade Organisation. “Moreover, the Indian rupee has devalued a lot against the dollar,” Rahman said. India's apparel exports last fiscal year stood at $17 billion, up 15 percent year-on-year.

In contrast, Bangladesh, despite even being the second largest garment exporter after China, shipped items worth $28.14 billion, an increase of just 0.20 percent from a year earlier.

India's garment shipments are expected to grow between 15 percent and 18 percent this fiscal year to $20 billion, The Economic Times quoted Rahul Mehta, president of the Clothing Manufacturers Association of India, as saying.

The US market, which accounts for 30 percent of India's apparel export, is doing reasonably well, he said, adding that South America, Europe, Middle East and Japan also hold good export potential.

However, economists are not in favour of giving such direct stimulus package to the Bangladeshi garment industry as it is a matured sector now.

“The sector should learn to survive on its own,” said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh. Rather, the government should concentrate on bringing down the cost of doing business in Bangladesh, Mansur said, adding that the port, roads and highways should function efficiently.

For instance, the truck fare for carrying goods from Dhaka to the Chittagong port doubled to Tk 40,000 in recent times due to poor conditions of the roads and highways and traffic congestion, he said.

“We have many more challenges domestically that have been increasing the cost of doing business. We should remove those barriers to be more competitive amid the fierce competition globally,” he added. Due to being a least-developed country, Bangladesh enjoys duty benefit to the EU while Indian exporters face 12 percent duty.

Source: thedailystar.net- Oct 20, 2017

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# India shrinks trade ties with North Korea but will not close embassy

India banned all trade with the North, except food and medicine, from April this year, the foreign ministry said.

India has slashed trade with North Korea in line with UN sanctions over the latter's nuclear tests but will not close its Pyongyang embassy, Foreign Minister Sushma Swaraj said Wednesday.

North Korea was one of a number of key Asian security topics raised by US Secretary of State Rex Tillerson in New Delhi. The United States has reportedly been urging allies to cut diplomatic ties with the North.

"We had open discussion on the issues of trade reduction and closing the embassy," Swaraj told a press conference after the meeting.

"I told Mr Tillerson that as far as trade is concerned it has come down, really come down. It has become minimal."

Trade between India and North Korea amounted to $130 million in 2016-17 but in the current fiscal year it stands at $10.95 million, according to official data.

India banned all trade with the North, except food and medicine, from April this year, the foreign ministry said.

Swaraj said the embassy should remain as a link with the North.

"Our embassy there is very small. But the embassy is there and I told Mr Tillerson that some of your friendly nations' embassies should stay there so that some channels of communication remain open."

Swaraj said Tillerson "understood" and "appreciated" India's stand.

While India has strongly condemned North's nuclear tests, it has maintained diplomatic relations with Pyongyang.

The United States has led a UN Security Council drive to tighten sanctions against the North for its nuclear and ballistic missile tests.

After a flurry of missile launches by the North and its sixth nuclear test last month, the UN imposed new sanctions that included bans or restrictions on the export of coal, iron ore and seafood by Pyongyang.

President Donald Trump's administration has been ramping up pressure on major powers, including China, to isolate the North in as many ways as possible.

India and the United States have been forging deeper ties in order to counter Chinese influence in the region.

Source: asianage.com- Oct 25, 2017

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## Powerloom sector sceptical of Centre's SAATHI initiative

The powerloom weaving sector is sceptical of the Sustainable and Accelerated Adoption of Efficient Textile Technologies (SAATHI) initiative taken by the central government.

Recently, the ministries of power and textiles joined hands under SAATHI. Under this initiative, Energy Efficiency Services Ltd (EESL), a public sector entity, under the ministry of power, would procure energy-efficient powerlooms, motors and Rapier kits in bulk and provide them to the small and medium powerloom units at no upfront cost.

To kick start the implementation, demonstration projects and workshops will be organized in key clusters such as Erode, Surat and Ichalkaranji. According to the initiative, use of these efficient equipment would result in energy savings and cost savings to the unit owner and he would repay in instalments to EESL over a period of four to five years.

Talking to TOI, president of Pandesara Weavers' Cooperative Society Ltd (PWCSL), Ashish Gujarati said, "We will have to see the performance of the energy-efficient equipment for powerloom sector.

For this, EESL will have to first install the equipment in big units for experiment and then pass it on to small and medium units."

Gujarati added, "GST has cast a dark shadow on the powerloom weaving sector. Most of the small and medium weaving units have shut shops for a month-long Diwali vacation. We are not sure whether they will open up after the vacation."

Ashok Jirawala, president of Federation of Gujarat Weavers Welfare Association (FOGWA), said, "The central government is leaving no stone unturned to focus on Gujarat with its schemes and initiatives. This is another poll-related announcement. The energy-efficient equipment will be quite costly and many small unit owners won't be able to afford it."

On the other hand, the Synthetic and Rayon Textile Export Promotion Council (SRTEPC) has welcomed the new initiative for the powerloom sector.

Source: timesofindia.com- Oct 26, 2017

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