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US 71.62 | EUR 78.89 | GBP 92.35 | JPY 0.66

Cotton Market		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	Rs./Candy	USD Cent/lb
19378	40500	72.05
Domestic Futures Price (Ex. Warehouse Rajkot), December		
Rs./Bale	Rs./Candy	USD Cent/lb
19200	40128	71.39
International Futures Price		
NY ICE USD Cents/lb (March 2020)		65.80
ZCE Cotton: Yuan/MT (January 2020)		12,740
ZCE Cotton: USD Cents/lb		82.14
Cotlook A Index – Physical		74.10
<p>Cotton Guide: Bullishness [due to geopolitical news] can be seen as predicted in our previous reports. The most active contract the ICE March contract settled with a change of +95 points at 65.80 cents per pound. The ICE May contract settled with a change of +87 points and settled at 66.81 cents per pound. The total volumes were seen lower at 23,300 contracts as people prepare for Thanksgiving Day which falls on the fourth Thursday of November.</p> <p>The bearishness seems to have taken a pause. Last week's CFTC data showed speculators reducing their net short position. It will be interesting to see the speculators' position in the upcoming two reports.</p>		

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The MCX contracts on the other hand, have moved ahead as predicted. The MCX November contract settled at 19,110 Rs per Bale with a change of +30 Rs. The MCX December contract settled at 19,200 Rs per Bale with a change of +30 Rs. The volumes have been more or less similar to the previous figures at 1236 lots.

The Cotlook Index A has been updated at 74.10 cents per pound with a change of +85 points. The Prices of Shankar 6 are seen to be at 39,000 Rs per Bale [actual spot market] with change of +300 Rs. The cotton arrivals in India are seen to have crossed 1 lakh bales [lint equivalent bales]. While speaking about Indian Exports, the basis has reached a figure of around 400 on which is near to perfect for Export Enquiries to commence. However, international buyers have continued to remain relatively quiet.

On the fundamental front, we expect the prices to show slow escalation from here on both for ICE and for MCX. For ICE we expect ICE March prices to reach 70 cents per pound within a period of 20 working days.

On the geopolitical front, the trade deal is expected to be inked anytime from now on. According to our private sources in China, Mills are awaiting for the trade deal to happen and will quickly start with their US purchases [imports] once the trade deal is inked. On the other hand, in other for the US President to get re-elected, a need for vote bank from the agricultural market participants is necessary. This can thus be obtained by helping them to export their goods, which in turn implies that the phase one of the trade deal is expected soon.

On the technical front, in daily chart, ICE Cotton March has retraced back within the channel from the support of upward sloping channel, after an Inverse Head & Shoulder pattern breakout. Price have sustained at the support of 38.2% Fibonacci retracement level (63.51) of an intermediate up move. Meanwhile, price is around the daily EMA (5, 9) at 65.34, 65.39, along with the momentum indicator RSI is at 53, suggesting sideways to positive bias for the price. The immediate resistance for the price would be at 66.90. Thus for the day we expect price to trade in the range of 64.90-66.90 with sideways to positive bias. In MCX Nov Cotton, we expect the price to trade within the range of 18970-19300 with a sideways to positive 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

NEWS CLIPPINGS

INTERNATIONAL NEWS	
No	Topics
1	China: Companies relocate to southern Xinjiang
2	Made in New York Fashion Hub Wants Garment Factories and Tech Firms, Too
3	USA: Report: 'Sustainability First' a Key Fashion Industry Theme for 2020
4	Cambodia, South Korea to launch feasibility study on bilateral FTA
5	Bangladesh: Five steps to put the RMG sector back on track
6	Pakistan: Liquidity crisis continues to haunt textile industry
7	Pakistan: Sluggish business seen on cotton market
8	Pakistan: Second phase of CPFTA: Country has secured enhanced, deeper concessions

NATIONAL NEWS	
1	High production, decline in exports may affect cotton prices, says Ind-Ra
2	Cotton procurement by traders and government agency to gather pace from December
3	Textile sector upgradation hits a roadblock
4	India's CCI procures 4 lakh quintals raw cotton by Nov 18
5	UK India Business Council to strengthen business ties, to focus on Ease of Doing Business
6	Indian textiles ministry has partnered with 25 IHB stores
7	21 Indian state govt agencies to work on skill development
8	GDP slump to hit India's \$5-trn economy target: NITI Aayog
9	Exporter of Home Textile in heavy losses due to delay in ROSCTL repayment

INTERNATIONAL NEWS

China: Companies relocate to southern Xinjiang

Zhao Honggen, manager of a sock-manufacturing plant in Shaoxing, East China's Zhejiang Province, decided in 2016 to open a production line in Kuqa County in Northwest China's Xinjiang Uyghur Autonomous Region. Though the prospect was exciting, he was nervous.

"The local officials in Zhejiang talked with me then, encouraging me to take the lead as a Party member by setting up factories in southern Xinjiang's Aksu Prefecture and help provide jobs there," Zhao recalled. Zhejiang is the province tasked with assisting Aksu Prefecture under a central government program.

During the talk, Zhao was impressed by the inexpensive local labor forces as well as the Xinjiang government's determination to invite business to the region. However, he was still worried by questions concerning the extent to which the promised favorable policies would translate into actions, and how quickly local labor forces would become highly skilled.

Now, three years after opening shop, Zhao's concerns have been dispelled.

His company, Hongyang Textile Co, is located at an industrial park for micro and small-businesses in Kuqa County under the administration of Aksu Prefecture. It has seen export orders climb by more than \$100,000 this year despite impact from the China-US trade war.

His export destinations have shifted from the US to Panama and Central Asian countries, taking advantage of Xinjiang's geographic position as a core area of the Silk Road Economic Belt and as a bridge to Central Asia.

The company now has 164 employees, 158 of whom are Uyghur. The Global Times learned that their average monthly income is about 2,000 yuan (\$284), with some experienced workers able to make 4,000 yuan a month. Last year, the manufacturer helped lift some 30 households out of poverty.

Hongyang Textile is just one example of how companies in East and South China have migrated parts of their businesses to southern Xinjiang in recent years.

In the first nine months of 2019, Aksu Prefecture welcomed 523 business projects from outside Xinjiang, up 24.23 percent year-on-year, bringing an investment of 45.82 billion yuan, according to data provided by the local government. The region has planned 580 local projects to attract outside investment.

Some businesspeople are attracted by the local government's subsidies and policies, while others, like Zhao, are lured by relatively affordable labor forces and the region's geographic location which allows for diverse export markets.

But those entrepreneurs do not come empty-handed.

They teach new skills, raise local incomes and unite different ethnic groups in southern Xinjiang, where the Uyghur ethnic group accounts for about 80 percent of the population.

Most importantly, the presence of their businesses brings wealth and stability to southern Xinjiang, a region once plagued by terrorism and extremism.

Relocating to Xinjiang

Walking around the Guizi business park where Zhao's factory is located, slogans advocating ethnic unity can be seen painted on many walls. One banner hanging outside the factory reads, "People of all ethnic groups should unite like pomegranate seeds," comparing the importance of ethnic unity to agricultural production.

Zhang Wenjun, an official of the Kuqa Economic and Technological Development Zone which oversees the Guizi business park, told the Global Times on Friday that such an industrial park for small and micro-businesses is unique in southern Xinjiang. "It is an important means for local governments to solve employment issues," he noted.

Shohrat Zakir, chairman of the Xinjiang regional government, vowed at the region's annual two sessions in January that maintaining social stability will continue to be an important task in 2019, Xinjiang Daily reported.

Patigu Yusufu, a 55-year-old Uyghur worker, told the Global Times that she is more than happy to work at the industrial park. Yusufu, now a Party member, did not have any income before local officials found her a job at the factory in 2017. Now, she can package more than 4,000 pairs of socks each day, which brings her a monthly income of around \$420 - higher than her husband's.

By working together, Han and Uyghur employees form deep connections, according to Yusufu. "We're like a family, we care for each other a lot," she said.

Some industrial parks are created to receive and accommodate companies moving from the south, according to officials. As such, most industrial parks provide free factories and dormitory housing for firms coming from outside Xinjiang. Additionally, they also offer discounts for electricity fees and social insurance payments.

"We want to tap into Xinjiang's advantage to attract as many as companies as we can. Xinjiang may lack something but it does not lack land, so the local government provides all kinds of fixed-asset investment. What enterprises need to do is to come with equipment and technology," Zhang said.

Take Zhao's company as an example. Hongyang Textile has been using a 5,000-square-meter factory free of charge for three years, and the only investment Zhao made to start up the business was 15 million yuan, which was used to source 253 pieces of sock-manufacturing equipment. The local government also purses 60 percent of the company's social insurance payment every year, according to Zhao.

"It is very easy to set up a business in southern Xinjiang. The business environment is very friendly and local officials are very responsive," Zhao said.

Labor costs are also significantly lower in Xinjiang. Tian Yong, a senior executive of chemical firm Yuxiang Huyang Co, told the Global Times that it only costs about 2,000 yuan to hire a worker in Aksu, while in Southwest China's Sichuan Province, labor fees and social insurance could add up to at least 6,000 yuan to hire a worker.

The Sichuan-based company, which produces chemical products such as melamine and urea, opened a new factory in Xayar County under the administration of Aksu Prefecture in September 2009. Now, its industrial output accounts for 70 percent of Xayar's total, with sales hitting a record high of 1.2 billion yuan in 2018.

"We're in talks with downstream companies in East China's Fujian Province and South China's Guangdong Province to bring more industrial chains, such as high-grade melamine tableware manufacturing, into southern Xinjiang," Tian said. Projects will begin in the first half of 2020.

Yuxiang Huyang now employs 1,500 workers, 500 of whom are Uyghur earning 40,000 yuan a year. The establishment of the plant has contributed significantly to the local drive to reduce poverty.

Educating locals

Almost all local companies in southern Xinjiang, including Yuxiang Huyang and Hongyang Textile, organize weekly classes for Uyghurs, covering the Chinese language and tech education.

But some executives are disappointed at the progress of the tutoring, which they said "has been moving very slowly among the minority workers." This in turn drags down production efficiency and weighs on profitability.

"It's harder than we expected to nurture local skilled labor in southern Xinjiang, and we still have to rely on technical experts from Sichuan after a decade of localization," Tian complained. "This really is a Long March."

The chemical producer has had to lower its employment standards repeatedly. Now, any Uyghur candidate who can write an article in the Chinese language will be admitted to the company. Yuxiang Huyang then provides training courses to qualify employees to undertake relevant work at the factory.

Xinjiang Jinliyuan Clothing Co, a Shandong-based textiles manufacturer that established a new factory in Aksu in 2016, has been hosting tri-weekly classes for minority employees for the last three years. But now, with the same employment levels, the capacity of the Xinjiang factory is only about 40 percent that of the plant in Shandong.

"At first, we thought it would be 70 percent after three years of training. This is far lower than our expectations," Zhang Jie, general manager of Jinliyuan, told the Global Times. He noted that the efficiency issue has made it difficult for Jinliyuan to make a profit. Last year, the textiles manufacturer incurred a loss of more than 9 million yuan.

Despite such difficulties, some expressed that things are getting better. Zhao said that through their ongoing education courses, some Uyghur workers have formed the idea, "Work hard to live a better life," and the factory has seen a significant drop in employment mobility this year.

"The process of forming a local skilled labor force is underway, despite being slow. In the future, the Xinjiang factory will also be able to produce high value-added sock products to increase profit margins," Zhang said. He also plans to export such products to snap markets in Russia and other countries along the Belt and Road Initiative, via the China-Europe freight train.

In September, Aksu Railway Station was approved for a direct link to the China-Europe freight train route under a model of consolidated loading and shipping in southern Xinjiang. The trains, which depart from Urumqi Western Station with the aid of government subsidies, operate twice a week.

The linkage to the route allows Xinjiang exporters to reduce the shipping time to Europe by roughly 10 to 20 days. Despite the outbound logistics convenience, some entrepreneurs also long for transportation subsidies when shipping materials into southern Xinjiang, as the region lacks a complete industrial chain.

Despite Aksu's status as China's largest cotton production base, Zhao pointed out that all raw materials, parts and equipment used in the process of making socks are purchased from Zhejiang, which is about 4,700 kilometers from Aksu.

"We cannot find such materials in Xinjiang - even dyeing needs to be completed in Zhejiang. Transportation costs have eaten up our profit," Zhang explained, urging the local government to step in and devise more measures to help create an industrial chain for the textiles industry.

Source: globaltimes.cn- Nov 25, 2019

[HOME](#)

Made in New York Fashion Hub Wants Garment Factories and Tech Firms, Too

The New York Economic Development Corporation has released designs for the Garment Manufacturing Hub and public realm components of the new Made in NY (MiNY) Campus at Bush Terminal in Brooklyn's Sunset Park neighborhood.

The MiNY Campus will provide affordable, best-in-class industrial facilities for garment manufacturing, film and media production, and related services and industries.

Set to open in Spring 2021, the Garment Hub is envisioned as a center of gravity for local manufacturing, sustainable fashion and textile technology innovation in New York City, featuring a diverse fashion ecosystem that co-locates garment manufacturers and emerging designers.

NYCEDC is also delivering 5.3 acres of new public space to complement the adjacent Bush Terminal Piers Park, as well as providing new amenities to the community and campus workers. Public amenities will include landscaped waterfront access, enhanced streetscapes, pedestrianized plazas and a water play feature.

“The new Made in New York Campus brings exciting opportunities to the Sunset Park community, providing affordable workspace for innovative and sustainable companies, while also creating good jobs for local residents,” Jhaelen Hernandez-Eli, NYCEDC senior vice president and department head of design and construction, said.

In March, NYCEDC announced the selection of a Brooklyn-based team to design the garment manufacturing hub of the new MiNY Campus, transforming city-owned buildings into a state-of-the-art manufacturing facility.

After decades of erosion and recent revival, garment manufacturing comprises 30 percent of the city's manufacturing jobs, according to NYCEDC. To accommodate the expanding industry and workforce, the new campus will include the renovation of a 200,000-square-foot building into a cutting-edge Garment Manufacturing Hub, with workspaces ranging from 2,000 to 40,000 square feet. The Hub will support as many as 30 garment

manufacturing companies, with tenants involved in pattern making, marking and grading, cutting and sewing, and sample making.

Sunset Park has the second largest concentration of garment manufacturers in New York City, after the Garment District in Midtown Manhattan. The MiNY Campus and Garment Hub builds on this foundation and will create additional opportunities for local businesses and sector workers for the future, NYCEDC said.

NYCEDC also announced a Request for Expressions of Interest (RFEI) for one or more partners to operate a research and development center and training partnership in the hub.

The RFEI targets fashion brands or garment makers seeking to grow their presence in the city; science or technology firms driving research and development (R&D) in the fashion industry; academic programs in the fashion and design fields; mission-driven organization supporting the sector; and companies along the fashion supply chain or manufacturing logistics sector.

With a focus on local production, on-demand and advanced manufacturing, sustainable processes and circular fashion, material technology and textile innovation, NYCEDC said the RFEI is seeking two types of proposals—concepts for an R&D center, innovation laboratory and/or business accelerator, and proposals for programming to train garment sector workers and local workforce. Tenants in the hub will be required to utilize the City’s workforce development programs HireNYC and Workforce1 to connect New Yorkers with good, local job opportunities.

The new campus reflects the goals of the Industrial Action Plan released in November 2015 by Mayor Bill de Blasio, designed to spur thousands of well-paying manufacturing jobs through large investments in city-owned assets. The new manufacturing facilities also advance NYCEDC’s Sunset Park Vision Plan that aims to improve community infrastructure, professionalize maritime and rail service, and create new industrial jobs along the Sunset Park waterfront.

Source: sourcingjournal.com - Nov 25, 2019

[HOME](#)

USA: Report: ‘Sustainability First’ a Key Fashion Industry Theme for 2020

Of the 10 key themes that will shape fashion in 2020, “sustainability first” will be particularly crucial, according to a new industry outlook.

Published Thursday by management consultancy McKinsey & Company, the fourth annual “State of Fashion” report highlights sustainability as both the single biggest challenge and single biggest opportunity facing the industry in the year ahead.

A survey of 290 global fashion executives found that increasingly boisterous calls for climate action—from activists such as the protest group Extinction Rebellion and 16-year-old Greta Thunberg—have pushed many companies to reevaluate business models and shift toward more responsible practices in the past year alone.

Zara owner Inditex, for instance, pledged in July to use only 100 percent sustainable fabrics by 2025. Adidas has committed to phasing out virgin polyester by 2024, as has Ralph Lauren by 2025. Gucci declared itself the “entirely” climate-neutral luxury house, Prada signed luxury’s first sustainability-linked loan and PVH Corp. established new supply-chain transparency targets. At the G7 conference in September, Kering chief François-Henri Pinault drew commitments from 32 companies representing 150 brands to tackle climate change, ocean protection and biodiversity.

But despite “modest progress,” the fashion industry as a whole has yet to bear the full yoke of its environmental responsibilities. Overall social and environmental progress has slowed by a third. In short, fashion players need to “swap out platitudes and promotional noise” for genuine action on issues such as carbon emissions, waste and pollution.

Indeed, consumers are become increasingly aware—and concerned—about the environmental impact of their purchases, even if they won’t always pay more for greener products.

Some 66 percent of respondents to a McKinsey U.S. cohort survey (and 75 percent of millennial respondents) said they consider sustainability when making a luxury purchase. Only a minority, however, was willing to fork out more: 31 percent of Gen Z and 12 percent of baby boomers.

“It is well-known that even consumers’ stated willingness to vote with their wallets does not translate to the same degree in actual purchases of sustainable fashion,” the report noted.

Closing this gap, it added, is tricky because there is a dearth of clear information and tools for the consumer. Consumers are confused by what “sustainability” means and don’t know how to identify sustainable brands or even where to find them. Another survey of corporate representatives across 100-plus European firms found that consumers are often misled by greenwashing or straight-up misinformation.

At the same time, consumers do want to shop more sustainably. Online searches for “sustainable fashion” tripled between 2016 and 2019, the report said. (Lyst’s recent “year in fashion” report agrees.) Younger consumers who prefer access over ownership are also focused on consuming fewer resources.

“Looking ahead...we anticipate the media to increasingly take a role in better educating and encouraging the conscious consumer,” the report noted. “Emboldened by these forces, better-informed and more confident consumers will seek out sustainable brands and develop their awareness.”

Source: sourcingjournal.com - Nov 25, 2019

[HOME](#)

Cambodia, South Korea to launch feasibility study on bilateral FTA

Cambodia and South Korea on Monday signed a joint statement on the launch of a joint study on a possible Free Trade Agreement between the two countries, said a Cambodian Ministry of Commerce’s press release.

The joint statement was signed in South Korea’s Busan between Cambodian Minister of Commerce Pan Sorasak and South Korean Minister for Trade Yoo Myung-Hee on the sidelines of the ASEAN-South Korea commemorative summit, the release said.

“The Cambodia-South Korea Bilateral FTA is expected to not only strengthen the relationship and promote bilateral trade between the two countries, but also create more employment and investment opportunities and promote

services export that will contribute more to the economic growth and bring more benefits to the people of the two nations,” it said.

According to the press release, the trade volume between the two countries increased noticeably to around 756 million U.S. dollars last year, a 14.7 percent rise compared to a year earlier.

Cambodia's main exports to South Korea included garments, electronics, shoes, luggage, aluminum, beverages, medical supplies and natural rubber, the release said, adding that the kingdom's main imports from South Korea included trucks, bulldozers, cloths, mineral water, electronics, and cosmetic products.

Source: xinhuanet.com- Nov 25, 2019

[HOME](#)

Bangladesh: Five steps to put the RMG sector back on track

Recent figures show the export of ready-made garments (RMG) from Bangladesh during the first four months of the current fiscal year (FY2019-20) fell by 6.67 percent to USD 10.5 billion. Knitwear exports for the four months fell 5.73 percent to USD 5.5 billion, while woven garments exports fell 7.67 percent to USD 5 billion.

These figures offer cause for concern and should encourage all of us involved in this most vital of industries to pause for reflection.

The most important markets for RMG exports from Bangladesh are the US and the EU. Neither of those markets are, at the present time, in recession. Therefore, we cannot blame wider economic forces for the decline in exports from Bangladesh.

Instead, we must look inwards, as difficult as that might be.

Unlike some, however, I do not think it is all doom and gloom right now for Bangladesh's RMG industry. However, I do think the industry is at a crossroads and has reached a stage of its development where fresh thinking and ideas are required if export growth is to get back on track. Blindly

following the same road that we have been going down in the past will not, in my opinion, deliver the growth we all know our industry is capable of.

Here I offer five ways in which Bangladesh's RMG sector can get back on track in the medium to long term.

Step 1: Diversify

We continue, as an industry, to be heavily reliant on the export of cheap, basic commodity garments for the mass market retail sector. Such commodities represent more than half of all total exports, around 54 percent according to the most recent world trade figures.

Meanwhile, RMG exports represent about 84 percent of Bangladesh's total exports. With more than half of that 84 percent being cheap, commodity garments, this leaves Bangladesh hugely exposed in this area. What if the market for such products shrinks? Where will that leave our national economy?

We need to diversify from commodity products, firstly, because a shift to more high added value products will boost margins for exporters but secondly, because an over-dependence on one product category exposes Bangladesh's economy to far too much risk.

Step 2: Work smarter

Are all our RMG factories working to their maximum efficiency? There is plenty of evidence to suggest that this is not the case and that productivity rates continue to languish at relatively low levels compared to one of our biggest competitors, China.

There are a whole host of statistics in this area but most observers on this issue claim that productivity in Bangladesh stands at around 40-50 percent, significantly below China. This means garments being made in Bangladesh are, in many cases, taking twice as many labour hours as they take to make in China.

With labour representing such a large proportion of overall overheads in Bangladesh, low labour productivity rates mean that extra time—and wages—are being spent by RMG factories on per unit of production.

Increase productivity, and we can increase overall profits and exports revenues.

Step 3: Improve energy efficiency

There is so much “low hanging fruit” to be had for RMG factories in Bangladesh when it comes to the issue of energy efficiency. Whether it be through the use of inverters, thermal oil heaters, biogas plants, sky lights, boiler economisers, the use of solar—and a whole lot more—energy saving opportunities represent a huge opening.

Already, the industry has been proactive in embracing energy saving initiatives but there is always more that can be done. This includes the industry as a whole—led by the BGMEA—addressing strategic issues such as affordable rates of interest and broader regulatory reform required to scale up energy saving methods.

Suppliers need to understand that our industry is only heading in one direction on this issue, with many apparel retailers looking to enrol suppliers into energy projects to help them meet their own climate goals.

Step 4: Change the brand—go circular

Bangladesh is known for its discounted garment products. This has been a successful backbone of our economy for many years but there are signs that this model is running out of steam. As indicated earlier, it is time to diversify.

So why can we not become known for something else? Why can't we take the lead in the circular economy?

There are very few areas of huge untapped potential in the global apparel industry at the present time. However, the circular economy is certainly one of them.

There is a huge amount of technological developments in textile-textile recycling at the current time. Yet no textile producing country has seriously taken the bull by the horns on this issue—till now.

The opportunity is there for Bangladesh to do that: to become a testing bed for garment recycling at scale. If Bangladesh and the various players in its

garments industry could collaborate on this issue, the country as a whole could gain major First Mover Advantage in this market of unlimited potential. But we must move quickly and decisively.

Step 5: Let's all be world class

There's a phrase we sometimes hear in business: you're only as good as your worst employee. One bad employee can easily tarnish the reputation of a whole business. In a similar way, one bad business can easily tarnish the reputation of a whole industry.

In the Bangladesh RMG sector, where the global spotlight always shines so bright, it only needs a report of products being sourced from one factory which is found to be unsafe, or reports of one factory mistreating its workers, and the whole industry is damaged.

We have a great many world class RMG factories in Bangladesh, but the achievements of the majority risk being overshadowed by the blemishes of a few, unless standards and levels of compliance are raised across the board.

In short, it's time for us all to be world class.

Source: thedailystar.net- Nov 24, 2019

[HOME](#)

Pakistan: Liquidity crisis continues to haunt textile industry

While the government claims doing a lot to stimulate the country's exports in a big way, but bitter ground realities speak otherwise as the non-implementation of energy package coupled with dysfunctional refund system causing liquidity crisis and massive dip in cotton production is going to inflict huge dent on textile exports by almost \$3 billion by end of current fiscal.

The situation for the exporters because of the host of the said crippling issues has turned from bad to worse as given the situation, exporters have the orders but are not only unable to expand its business for export surplus, but are also unable to meet the deadlines mainly because of liquidity crisis which is deepening more and more with passage of every day.

To this effect, Adviser for Commerce, Textile, Industry and Production and Investment Abdul Razak Dawood is going to agitate in the cabinet meeting being held today (Tuesday) with Prime Minister Imran Khan in the chair the issues textile industry is facing in jacking up its exports, a senior official at Textile Ministry told The News.

Adviser to All Pakistan Textile Mills Association (APTMA) Shahid Sattar confirmed the development, hoping that the cabinet meeting will figure out the chronic issues textile industry is facing. He flagged the issue of refund system, saying it is still dysfunctional and has multiplied the liquidity crisis for exporters manifold.

He explained that in the first five months of the current financial year, the FBR has collected over Rs100 billion because of doing away with zero-rated status to export industry and enforcing 17 percent sales tax on textile sector, but refund system is not functional as majority of refund applications of exporters are rejected by the system due to form-H and irrational unannounced boundaries for acceptance of FASTER System. Even those applicants whose sales tax returns and form-H have accepted have not been paid refunds despite assurance of 72 hours.

He said the cabinet of the incumbent regime notified 11 months back that export industry will be provided energy package that included provision of RLNG at \$6.5 per mmbtu and electricity per unit at 7.5 cents, but the Ministry of Energy is not implementing it in letter and spirit.

Shahid Sattar said, "Textile industry is getting the gas bills at the rate of \$11 per mmbtu instead of \$6.5 per mmbtu. Though the government later on pays back \$4.5 per mmbtu, but this process takes about 5 months to complete and owing to this very reason, the huge capital of the textile industry remains stuck in this system that is causing another kind of liquidity crisis multiplying the economic miseries for the industrialist in textile sector.

More importantly, Shahid Sattar said, the textile industry is also being heavily fleeced when it comes to the payment of electricity bills.

He said that textile exports have increased by 26 percent in last fiscal year and in last month, exports have increased by 8 percent in quantitative terms and by 4.10 percent in value terms.

He said that around \$2-3 billion increase in textile exports can be managed by end of this fiscal if liquidity, energy and cotton issues are resolved, but at the moment the perpetuity in the presence of the said issues by the government is jeopardising not only expected investment in textile sector but increase in exports by about \$3 billion.

Source: thenews.com.pk- Nov 26, 2019

[HOME](#)

Pakistan: Sluggish business seen on cotton market

Sluggish business was witnessed on the cotton market on Monday as textile spinning group kept on the sidelines in the process of trading activity, dealers said. The official spot rate was unchanged at Rs 9000, they added. In ready session, about 3,000 bales of cotton changed hands between Rs 8500-9250, they said.

Rates of seed cotton per 40kg in Sindh were at Rs 2600-4300 and in the Punjab prices were at Rs 3500-4400, they said. In Balochistan, seed cotton prices were at Rs 3500-4300, they said. In Sindh, Binola prices per maund were higher at Rs 1400-1750 and in Punjab rates were up at Rs 1600-1800, they said and adding that polyester fibre was available at Rs 181.

Market sources said that a kind of dullness prevailed these days as leading textile mills did not take interest in fresh buying of cotton. Commenting on the present trend in the market, cotton analyst, Naseem Usman said that shortage of quality cotton and liquidity crunch continue to adversely impact trading activity.

He also said that availability of pure cotton seeds and timely spray of pesticides should be in priorities of the government to achieve desired production target. Reports appearing that the present government got some achievements on economic front, so, we can hope for betterment in days to come, other experts said.

When present government was not in power, it made long slogans to provide basic facilities for the people but till now public is making hue and crying over the performance of government.

The following deals reported: 400 bales of cotton from Ghotki sold at Rs 9250, 1200 bales from Khairpur at Rs 8500/8600, 400 bales from Rahim Yar Khan at Rs 9200 and 400 bales from Sadiqabad at Rs 9150/9200, they said.

Source: breccorder.com- Nov 26, 2019

[HOME](#)

Pakistan: Second phase of CPFTA: Country has secured enhanced, deeper concessions

Second phase of China-Pakistan Free Trade Agreement (CPFTA) will come into force later this week that is to eliminate tariffs on 313 most priority tariff lines of Pakistan's export. The agreement is in line with the treatment China has given earlier to ASEAN's countries.

These 313 tariff lines cover over US \$8.7 billion worth of Pakistan's worldwide exports and US \$64 billion worth of Chinese global imports. This will help to lessen Pakistan's trade deficit and give support to its economy, reports China Economic Net. As was decided by the two sides, the date of the agreement's implementation is December 1, 2019. Under the agreement, \$19 billion of Pakistan's exports will be covered, which corresponds to \$1.6 trillion of the Chinese global imports.

The major products on which tariff have been eliminated are textiles, garments, seafood, meat, other animal products, prepared food, leather, chemicals, plastics, oilseeds, footwear as well as engineering goods including tractors, auto parts, and home appliance machinery. Increase in the sensitive list from 10% to 25% which comes to 1760 tariff lines and covers 37% of Pakistan's imports from China.

This will give a fair amount of production to Pakistan's domestic industry from import from China. The major protected industry includes textiles and clothing, iron and steel, auto, electrical equipment, agriculture, chemicals, plastics, rubber, paper and paper board, ceramics, glass and glassware, surgical instruments, footwear, leather, wood, articles of the stones and plastics and miscellaneous goods.

Talking to China Economic Net on telephone, Badar uz Zaman, commercial counsellor of Pakistan embassy in Beijing, said that the implementation of 2nd phase of CPFTA will increase further one billion US \$Pakistan's exports to China. He mentioned this will help Pakistan's trade deficit and provide support to its economy.

Under the new agreement, effective and robust measures have been taken to protect domestic industry from a surge in imports from China. Revision of safeguard remedial measures will provide protection of maximum 23 years against an import surge that may cause injury or threaten to cause injury to the local industry, said another official on condition of anonymity.

In order to avoid under-invoicing of import from China, a system of electronic data exchange has been introduced in the trade taking place under the framework of the Free Trade Agreement (FTA).

It's worth mentioning that the Phase-1 of FTA between the two neighbouring countries was signed on November 24, 2006 and became operational in 2007, while negotiations for the second phase of the CPFTA were started in 2011. After eleven rounds of negotiations, both sides concluded the agreement on April 2019 in Beijing.

Under the second phase of CPFTA, Pakistan has secured enhanced and deeper concession on products of its exports interest revision of safeguards mechanism for the protection of the domestic industry, the inclusion of the balance of payment clause as a safety valve against the balance of payment difficulties and effective enforcement of the electronic data exchange.

Moreover, the Chinese side also has agreed to accommodate Pakistan's request for immediate market access on its priority products, tariff reduction modality based on the principles of "less-than-reciprocity" longer phased out period for tariff reduction and effective safeguard measures for protection of the domestic industry.

Source: breccorder.com- Nov 26, 2019

[HOME](#)

NATIONAL NEWS

High production, decline in exports may affect cotton prices, says Ind-Ra

High cotton production due to greater-than-average rainfall in the country and increased sowing by farmers may adversely impact prices. As per Cotton Corporation of India (CCI) estimates, cotton production is likely to increase 13.6% to 35.5 million bales (170kg) for the October 2019-to-September 2020 season. Area under cotton cultivation has increased by 6% y-o-y during the current season, said India Ratings and Research (Ind-Ra) on Monday.

It is also to be noted that India's raw cotton exports fell by 75% during 1HFY20 owing to high domestic prices and the availability of cheaper cotton from Brazil, the US and Vietnam, hence, the prices will take a hit, the agency said.

Cotton prices witnessed a moderate reduction in September 2019, with the CCI buying at the Minimum Support Price (MSP) in Punjab, Haryana, Gujarat and Rajasthan. The CCI has purchased approximately 1.2 million bales (around 1%) of the total arrival in the ongoing cotton season (October 2019-September 2020).

The cotton crop in Maharashtra is estimated to be delayed, as unseasonal rainfall damaged around 1.9 million bales in the state. The damaged crop is estimated to fetch prices that would be 30%-35% lower than the MSP due to high moisture content.

The spinning industry saw disruptions in production in 2QFY20 owing to reduced demand and volatility in cotton prices. While demand from China improved marginally in August and September 2019, a further improvement would be healthier for the spinning industry, which has been facing margin pressure and low capacity utilisations.

Manmade fibres (MMF) saw the second successive month of stabilisation on the back of stable crude prices. The short-term instability in prices in September 2019, following the attack on the refinery of Aramco, Saudi Arabia, had led to temporary pressure on the margins of synthetic fibres. With the recovery of the attacked oil sites, crude prices returned to stable levels, with a corresponding impact on MMF prices, the agency said.

Fabric exports grew in 1HFY20 owing to an improvement in the quality of Indian fabrics and addition of newer markets. During 1HFY20, exports amounted to Rs 12,489 crore (1HFY19: Rs 11,611 crore), with the main markets being Bangladesh (19%), Afghanistan (7.4%) and Sri Lanka (6.2%).

A sharp rise in imports of cheap apparel from Bangladesh has rendered the Indian textile value chain uncompetitive. Readymade garments recorded a degrowth of 14% month-on-month in September 2019 due to a steep fall in demand from the US and the UK, Ind-Ra pointed out.

Source: financialexpress.com - Nov 26, 2019

[HOME](#)

Cotton procurement by traders and government agency to gather pace from December

“We have procured 3-4 per cent of the total 30 lakh bales (170 kg each) of cotton arrived this season in the market. Due to the rains, the initial crop was not of good quality. Now, we expect a pickup in purchase,” Cotton Corporation of India chairperson P Alli Rani said.

New Delhi: Procurement of cotton that started in October is likely to gather pace from mid-December, as that is when good-quality supplies reach the market, officials at the state-run Cotton Corporation of India (CCI) said.

The initial arrivals this year have not been good due to extended rains across Maharashtra, Gujarat, Telangana and parts of Rajasthan that affected the quality of the fibre.

Traders said the quality has improved now in the North, but in western India, the crop was with high moisture content, poor colour grade and low micronaire value (based on air permeability). These have caused prices to rule below the minimum support price (MSP) and led to no major buying by traders and companies.

“We have procured 3-4 per cent of the total 30 lakh bales (170 kg each) of cotton arrived this season in the market. Due to the rains, the initial crop was not of good quality. Now, we expect a pickup in purchase,” Cotton Corporation of India chairperson P Alli Rani said.

Rani said last year, by this time, the CCI had procured only 2,000 bales of cotton as prices were 1 per cent higher than the MSP. Due to the high prices, traders were active in the market, unlike this year, she said.

This year so far, the agency has purchased about 1 lakh bales.

From the beginning of November, the CCI has been buying 10-12 per cent of cotton arriving in the market. She now expects this to go up.

“With USA and Brazil having surplus cotton crop, it is giving tough competition to Indian exporters. Further, poor demand of yarn from China and a slowdown in the domestic market have kept cotton prices subdued,” said Mahesh Sharda, the president of the Indian Cotton Association.

Sharda said the current prices in mandis were Rs 5,000-5,400 a quintal. “By December, we can expect good-quality cotton and if global demand picks up, the domestic prices too will increase,” said Sharda.

The CCI was buying cotton at the MSP of Rs 5,550 per quintal across all major cotton-producing states except Tamil Nadu and Odisha. This year, the industry estimates production to be 355 lakh bales, which is higher by 42 lakh bales compared with the previous year.

“We will be present in the market till late March and for Odisha and Tamil Nadu even after that. If prices don’t go up, then we will continue to buy,” said Rani.

Officials at the CCI said looking at past experience of procurement, they were geared up to buy 100 lakh bales this year. Last year, the CCI had procured 10.70 lakh bales under MSP out of which it has 9 lakh bales in its stock.

Source: economictimes.com - Nov 25, 2019

[HOME](#)

Textile sector upgradation hits a roadblock

Modernisation in the country's largest man-made fabric (MMF) sector will take a hit with the union ministry of textiles reducing the central fund allocation under the Amended Technology Upgradation Fund (ATUFS) scheme for 2019-20.

According to the list of proposed budget allocation in the textile sector issued by the ministry, the ATUFS allocation has been slashed from Rs 2,300 crore in 2018-19 to Rs 700 crore in 2019-20.

Surat's textile sector has been the largest beneficiary of the government subsidy with the annual investment in state-of-the-art machinery pegged at over Rs 3,000 crore.

Industry sources said that the reduction of ATUFS allocation will hamper the modernisation process in the sector. At present, the powerloom weavers have been shifting towards imported machineries for fabric weaving including water jet, air jet and jacquard machines for increasing productivity and saving costs.

In the proposed budget allocation, the textile ministry has decreased the overall budget of the textile sector from Rs 6,943 crore in 2018-19 to Rs 4,831 crore. Also, a special incentive has been given to the farmers for procuring cotton by Cotton Corporation under price support scheme worth Rs 2,000 crore in 2019-18, which was Rs 924 crore in 2018-19.

For the powerloom sector, the ministry has allocated Rs 150 crore for 2019-20, which was Rs 100 crore in 2018-19.

Chairman of the Federation of Indian Art Silk Weaving Industry (FIASWI), Bharat Gandhi said, "The allocation of Rs 700 crore under ATUFS for the entire country is a meagre amount. In order to boost the textile sector, government subsidy under ATUFS is needed."

President of the Pandesara Weavers Association, Ashish Gujarati said, "Powerloom sector contributes about 65% of the total production of textiles in India. There are 28 lakh looms in the country and six lakh are installed in Surat. The powerloom allocation of Rs 160 crore will not help the industry in adopting newer technology."

Source: timesofindia.com- Nov 26, 2019

[HOME](#)

India's CCI procures 4 lakh quintals raw cotton by Nov 18

By November 18 this year, the Cotton Corporation of India (CCI) had procured around 4 lakh quintals of raw cotton from farmers, mainly in Punjab, Haryana, Rajasthan and Telangana, and at some centres in Gujarat, Maharashtra, Madhya Pradesh, Andhra Pradesh and Karnataka, textiles minister Smriti Irani informed parliament lower house recently.

To avoid distress sale of cotton by farmers and safeguard the interest of farmers, 610 procurement points been opened in all cotton-growing states by CCI, she said. Full payment to farmers directly in their account through online system within 72 hours for cotton purchased under the minimum support price (MSP) is being ensured.

A mobile app 'Cott-Ally' is also helping direct interaction and outreach with cotton farmers, she added.

Source: fibre2fashion.com- Nov 25, 2019

[HOME](#)

UK India Business Council to strengthen business ties, to focus on Ease of Doing Business

Consolidating the ongoing engagements across a number of business segments, the UK India Business Council seeks to tap more areas of business focusing on advanced manufacturing, aerospace, meditek, life sciences, pharma among others.

A touring delegation headed by Kevin McCole, Managing Director of UK India Business Council (UKIBC) said "The industry is growing rapidly and there is rapid change in technology which calls for updates to stay competitive in the twenty first century." "In the recent times, there has been significant momentum towards Ease of Doing Business. This has added to comfort of the investors from the UK. We believe there is scope to add to the ease and collaborate," he said.

Maharashtra most preferred destination

Referring to Maharashtra, where a number of British companies have their base, Delhi, West Bengal and Telangana, he said Maharashtra for instance has become the most preferred destination for British companies. West Bengal Chief Minister Mamata Banerjee has visited London couple of times to boost investments into Bengal. The Telangana Government too has taken proactive steps to attract business and investors.

“Our focus is on bringing a delegation of small and medium sized enterprises. As of now about 70 of them have signed up evincing interest. At least 10 of them have formalised some engagements. We expect this number to go up,” he said. “Now we are at a situation where our focus has to be on business to business engagements, closing deals and setting up manufacturing units in India to boost the Make in India initiative,” he said.

“As a part of this initiative, a number of Universities in the UK in the area of higher learning and research are keen to partner with Indian varsities towards research and development. We have been engaged in talks over the past few years and expect to strengthen this segment with some agreements leading to new tie ups,” he said. “We are engaged with Niti Aayog and some of the Ministries seeking to bring about some changes which could lead to bilateral engagements in the education sector. As of now, only top 200 universities in the world are allowed to tie up with Indian universities,” he explained.

New education policy

“This leads to leaving out a number of good research centres across the world and the UK. For instance, a university in the UK is ranked 600 but one its faculty is in top 10 in the world,” he said. “A draft new education policy is in the works in India. We hope to see this being finalised soon and enacted so that there is a change which will enable more engagement with higher learning institutions,” he said.

Sheffield for instance is known for precision instruments and knives. The University of Sheffield has expertise in Advanced Manufacturing Research. It has partnerships with Rolls Royce, BAE, Boeing among others. “The number of investors to the UK and into India is growing, we expect this to go up as we make strides with new tie ups,” he said.

Source: thehindubusinessline.com - Nov 25, 2019

[HOME](#)

Indian textiles ministry has partnered with 25 IHB stores

India's textiles ministry has entered into partnerships with 25 India Handloom Brand (IHB) retail stores in various cities as per IHB retail stores policy framework to sell IHB products and has engaged 23 e-commerce agencies for promoting e-marketing of handloom products, textiles minister Smriti Irani told the parliament lower house recently.

The government has been implementing Handloom Marketing Assistance (HMA), a component of National Handloom Development Programme (NHDP), across India to provide a marketing platform to handloom weavers and agencies to sell products directly to consumers, she said.

Under the scheme, financial assistance is provided to national level handloom organisations and nominated handloom agencies of the state governments to organise marketing expos and events, according to an official release.

Source: fibre2fashion.com- Nov 25, 2019

[HOME](#)

21 Indian state govt agencies to work on skill development

Twenty one agencies from 18 state governments have agreed to partner with the Indian textiles ministry under the Samarth scheme for Capacity Building in Textiles Sector (SCBTS), textiles minister Smriti Irani told the parliament recently.

The ministry has in principle approved allocation of over 3.5 lakh targets to the agencies nominated by states for training.

Interactive meetings are taking place at regular intervals with stakeholders in the ministry on the scheme's Implementation, an official press release quoted the minister as saying.

The agencies include the Arunachal Pradesh Handloom & Handicrafts Society Ltd, the Indian Institute of Handloom Technology in Kerala's Kannur, the Telangana State Textile Complex Cooperative Society, the Uttar Pradesh Industrial Cooperative Association Ltd, the Uttarakhand Skill Development Society in Dehradun, the Assam Skill Development Mission, the Madhya Pradesh Laghu Udyog Nigam, the Institute of Entrepreneurship Development in Odisha and the directorate of handloom, sericulture & handicraft in Jharkhand.

Source: fibre2fashion.com- Nov 25, 2019

[HOME](#)

GDP slump to hit India's \$5-trn economy target: NITI Aayog

Indian government think tank NITI Aayog has cautioned the government that the path to a \$5-trillion economy by 2025 is plagued with several hindrances. While the nominal gross domestic product (GDP) growth rate was a mere 8 per cent in the first quarter of this fiscal, it has to be at least 12.4 per cent on an average for achieving that target, the Aayog said.

NITI Aayog chief executive officer Amitabh Kant made a presentation recently to the standing committee on finance, chaired by former minister and Bharatiya Janata Party member of parliament Jayant Sinha.

There has been a sharp decline in exports in the textiles from 2017 onwards, the presentation said.

'Domestic investment and consumption' are the only dependable drivers for sustainable re-acceleration of the economy, according to Kant's presentation, which said a deceleration in investment is visible, however, primarily in the household sector.

The slowdown in the domestic market is also because of limited availability of capital with the banks which are tied down due to high non-performing assets in heavy industry and infrastructure, a top Indian newspaper reported citing Kant's presentation.

The presentation flagged the urgent need to focus on export of high-value technology and manufacturing goods instead of primary goods currently being exported.

Source: fibre2fashion.com- Nov 25, 2019

[HOME](#)

Exporter of Home Textile in heavy losses due to delay in ROSCTL repayment

Towel Exporters meet at Solapur to discuss pending RoSCTL

A meeting of exporters was organized by Textile Development Foundation (TDF) Solapur on 21st November 2019 under the aegis of Home Textile Exporters' Welfare Association (HEWA) regarding pendency of RoSCTL. Central and state governments allow rebate on taxes to the exporters to promote exports under the RoSCTL scheme which was declared in the month of March 2019.

Under the scheme, a 6.05% rebate was allowed on garments and 8.2% on made-ups such as Solapur made towels and bedsheets.

While exporting towels from Solapur the costs were calculated on the basis that exporters will get back the levies, but due to delay in the payment of levies to the exporters under the scheme they are incurring heavy losses.

Addressing meeting participants through video-conferencing, the HEWA officer bearer Sh. Vikas Singh Chauhan informed that payment under the RoSCTL scheme is under consideration of the Prime Minister's office and he hopes that very soon it will be sorted out positively.

The meeting was attended by TDF President Rajesh Gosaki, ex-president Siddheshwar Gaddam, HEWA Representative Lingraj Gudur, Maruti Kendule, Mayur Daragad, Rohit Rathi, Dattu Dubaru and 30 other exporters.

Source: devdiscourse.com- Nov 25, 2019

[HOME](#)
