TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY
ISO 9001:2015
www.tuv.com ID 9105079408

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 242 of 2018 November 28, 2018

USD 70.86| EUR 80.02 | GBP 90.31 | JPY 0.62

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
20987	43900	**79.10**

Domestic Futures Price (Ex. Gin), November

Rs./Bale	Rs./Candy	USD Cent/lb
21530	45036	**81.15**

International Futures Price

NY ICE USD Cents/lb (Dec 2018)	77.88
ZCE Cotton: Yuan/MT (Jan 2019)	14,495
ZCE Cotton: USD Cents/lb	**80.52**
Cotlook A Index – Physical	**85.55**

Cotton Guide: Cotton market on Tuesday was mostly stable but ended marginally weak. The active March future ended at 77.88 cents down by 70 points from the previous day's close. No major development related to cotton and the other markets were steady. The US equities ended positive except Tech stocks, USD index was marginally lower at 97.40 and oil seed complex and grains were mixed.

The other contract months settled from 35 to 71 points lower, including the expiring Dec which settled at 7677, down 63 points. Trading volume was 15,593 contracts, the lightest volume since mid-September.

Cleared previous day were 19,003 contracts. For the 8th consecutive session total open interest has dropped to the lowest level in calendar year 2018. Open interest was at 220,462 contracts, down 1,347 contracts previous day.

That's down 32,772 contracts in the last 8 sessions combined. It was another day with an absence of fresh cotton news. One positive note though, was a general agreement of improved inquiries for, and even some sales of, US cotton.

Further on trade March contract had a 97 point range, from 7753 to 7850. That broke the pattern of a new recent low set each day for the last 4 sessions. March has a 10-session range of 7718 to 7939.

Dec had its 2nd notice day and there were 400 notices issued by Term/Allenberg and stopped by SG Americas, probably for Glencore. There will be 18 notices on 28th November all stopped by SG Americas.

Technically, it was an inside day with a small range. The bulk of the work obviously remains down. What isn't knowable is whether the 10-week 7650-to-8200 trading range is a bearish continuation pattern or bottoming action.

It should make the bulls nervous that prices lately have been unable to sustain a rally in the upper half of the range. There's good resistance in layers from 7850+/– to 8150+. Support is 7700+ and 7650.

On the domestic front, spot price for Shankar-6 gained marginally to trade near Rs. 44350-44400 per candy ex-gin which approximately 79.80 cents per pound at the Tuesday exchange rate of USDINR. Punjab J-34 has also risen, to Rs. 4,433 per maund (76.00 cents per lb).

Estimate of arrivals is 150,200 lint equivalent bales (170 kgs), including 42,000 registered in Gujarat, 32,000 in Maharashtra and 29,000 each in the Northern Zone and Andhra Pradesh.

Further on the futures front, the active November future ended at Rs. 21530 down by Rs. 30 from the previous close. We think market might remain under stress and recommend selling from higher level.

The trading range for the day would be Rs. 21400 to Rs. 21650 per bale.

FX Update:

Indian rupee has opened weaker by 0.1% to trade near 70.87 levels against the US dollar. The US dollar has risen against major currencies on safe haven buying amid US-China trade uncertainty. White House economic adviser Larry Kudlow said Tuesday that President Donald Trump sees a good possibility a deal can be made with China after Trump signaled Monday that the US would hike tariffs if negotiations fail.

Meanwhile, Fed officials have maintained case for further interest rate hikes. Fed Vice Chairman Richard Clarida restated his support for continued gradual interest-rate increases as US monetary policy gets closer to its optimal longer-run setting.

Also weighing on rupee is some stability in crude oil price after recent slide to 1-year low. Brent crude trades above $60 per barrel amid mixed API inventory report and increased expectations that OPEC may reduce output to check oversupply in global market. However, supporting rupee are reports that the RBI will pump in another set of liquidity in December by infusing Rs 40,000 crore into the system through open market operations.

Rupee is seeing some choppiness after the sharp gains in last few weeks. We however expect rupee to trade with a firmer bias as general outlook for crude remains weak. USDINR may trade in a range of 70.55-71.05 and bias may be on the downside.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

Explained: Brexit effects on the global economy

The Brexit process showcases the risks associated with economic and political fragmentation, and provides a preview of what awaits an increasingly fractured global economy if this continues

The singular issue of Brexit has consumed the United Kingdom for two and a half years. The “if”, “how”, and “when” of the country’s withdrawal from the European Union, after decades of membership, has understandably dominated news coverage, and sidelined almost every other policy debate. Lost in the mix, for example, has been any serious discussion of how the UK should boost productivity and competitiveness at a time of global economic and financial fluidity.

At the same time, the rest of the world’s interest in Brexit has understandably waned. The UK’s negotiations with the EU have dragged on through multiple déjà vu moments, and the consensus is that the economic fallout will be felt far more acutely in Britain than in the EU, let alone in countries elsewhere. Still, the rest of the world is facing profound challenges of its own.

Political and economic systems are undergoing far-reaching structural changes, many of them driven by technology, trade, climate change, high inequality, and mounting political anger. In addressing these issues, policymakers around the world would do well to heed the lessons of the UK’s Brexit experience.

When Britons voted by a margin of 51.9% to 48.1% to leave the EU, the decision came as a shock to experts, pundits, and Conservative and Labour Party leaders alike. They had underappreciated the role of “identity” as a driving force behind the June 2016 referendum.

But now, voters’ deeply held ideas about identity, whether real or perceived, can no longer be dismissed. Though today’s disruptive politics are fuelled by economic disappointment and frustration, identity is the tip of the spear. It has exposed and deepened political and social divisions that are as uncomfortable as they are intractable.

Experts also predicted that the UK economy would suffer an immediate and significant fall in output following the 2016 referendum. In the event, they misunderstood the dynamics of what economists call a “sudden stop”—that is, abrupt, catastrophic dysfunction in a key sector of the economy.

A perfect example is the 2008 global financial crisis, when financial markets seized up as a result of operational dislocations and a loss of mutual confidence in the payments and settlement system.

Brexit was different. Because you cannot replace something with nothing, there was no immediate break in British-EU trade. In the absence of clarity on what type of Brexit would ultimately materialise, the economic relationship simply continued “as is,” and an immediate disruption was averted.

It turns out that when making macroeconomic and market projections for Brexit so far, “short versus long” has been more important than “soft versus hard” (with “hard” referring to the UK’s full, and most likely disorderly, withdrawal from the European single market and customs union).

The question is not whether the UK will face a considerable economic reckoning, but when. Nonetheless, the UK economy is already experiencing slow-moving structural change. There is evidence of falling foreign investment and this is contributing to the economy’s disappointing level of investment overall. Moreover, this trend is accentuating the challenges associated with weak productivity growth.

There are also signs that companies with UK-based operations have begun to trigger their Brexit contingency plans after a prolonged period of waiting, planning, and more waiting.

In addition to shifting investments out of the UK, firms will also start to relocate jobs. And this process will likely accelerate even if British prime minister Theresa May manages to get her proposed exit deal through Parliament.

The Brexit process thus showcases the risks associated with economic and political fragmentation, and provides a preview of what awaits an increasingly fractured global economy if this continues: Namely, less efficient economic interactions, less resilience, more complicated cross-border financial flows, and less agility. In this context, costly self-insurance will come to replace some of the current system's pooled-insurance mechanisms. And it will be much harder to maintain global norms and standards, let alone pursue international policy harmonisation and coordination.

Tax and regulatory arbitrage are likely to become increasingly common as well. And economic policymaking will become a tool for addressing national security concerns (real or imagined). How this approach will affect existing geopolitical and military arrangements remains to be seen.

Lastly, there will also be a change in how countries seek to structure their economies. In the past, Britain and other countries prided themselves as "small open economies" that could leverage their domestic advantages through shrewd and efficient links with Europe and the rest of the world. But now, being a large and relatively closed economy might start to seem more attractive. And for countries that do not have that option—such as smaller economies in East Asia—tightly knit regional blocs might provide a serviceable alternative.

The messiness of British party politics has made the Brexit process look like a domestic dispute that is sometimes inscrutable to the rest of the world. But Brexit holds important lessons for and about the global economy. Gone are the days when accelerating economic and financial globalisation and correlated growth patterns went almost unquestioned.

We are also in an era of considerable technological and political fluidity. The outlooks for growth and liquidity will likely become even more uncertain and divergent than they already are.

Source: financialexpress.com- Nov 28, 2018

HOME

****

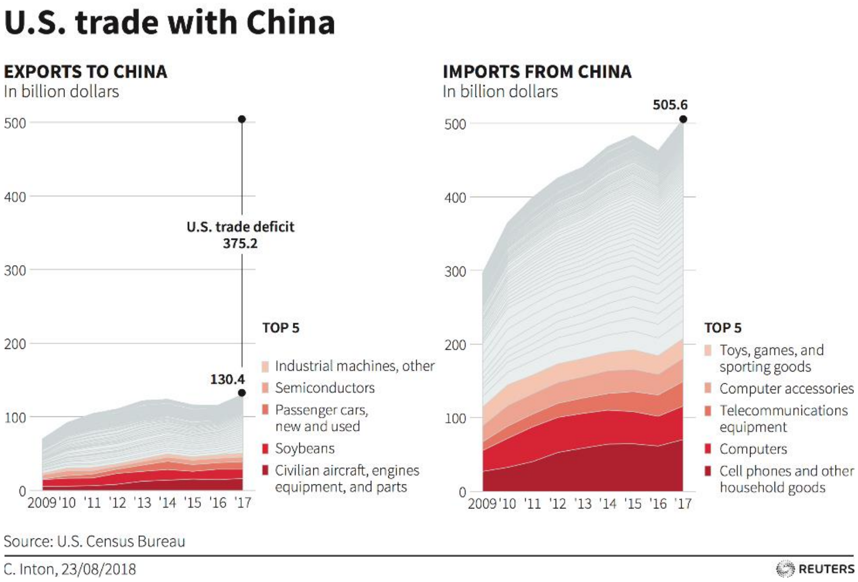
6 ways China and the United States could jumpstart trade reforms

Whether they're new best friends or estranged fellows, President Donald Trump and President Xi Jinping have confirmed their bilateral meeting at the November G20 in Buenos Aires, Argentina. This will be a high-stakes encounter, as the future of US-China relations has not been so uncertain since President Nixon's visit to China in 1972.

If this meeting is not to be wasted, it is crucial that President Trump and President Xi focus not on skirmishes to seek reciprocal concessions, but rather offer political support for a durable resolution of their differences. The review and refreshment of multilateral and plurilateral rules and covenants, through World Trade Organization (WTO) reforms, would enable this. The Presidents would not only help each other's economies, but more importantly, spare the globalized economy from the perils of fragmentation and a return to the law of the jungle.

China's difficulties

In spite of pressure from Washington, President Xi is unlikely to swallow any bilateral concessions at the G20 meeting, for two reasons.



Firstly, President Xi understands that bilateral deals with this US Administration are politically vulnerable. In May, Xi's envoy Vice Premier Liu brought home a joint statement in which both sides agreed to continue high-level dialogue and seek to resolve disputes in a "proactive manner", not imposing tariffs during ongoing negotiations. But Trump threw away that truce in the blink of an eye and imposed 25% tariffs on 250 billion Chinese products.

High-pitched China-bashing rhetoric during the US midterm elections may have exacerbated China's worries about further embarrassment.

Secondly, from a legal perspective, China is not allowed to offer bilateral concessions exclusively in favour of US exporters. If it does so, it would violate the WTO's principle of non-discrimination. When China lowers its tariffs or liberalizes the services sector, or strengthens regulations on intellectual property protection, it must do so universally for all other 163 WTO members, including the US.

Why WTO reforms?

The clock is ticking. While much US business is holding its breath in the wake of Washington-Beijing tariff races, other countries are sparing no effort in tapping into the Chinese market. The popularity of the China International Import Expo in Shanghai in November proved this.

As for President Trump, he has the tiger of tariff war by the tail. He can neither hold it, nor safely let go. If he continues these tariffs, they are sure to backfire. It is only a matter of how many more quarters he can wait before his re-election campaign. Economists widely believe that tariff wars may cause inflation of consumer product prices in the US, impact efficiency and cut off the profits of American firms involved in cross-border value chains, making the US less attractive to foreign investors.

How to let the tiger go

The WTO provides a space for the US and China to resolve their dispute in a "non-politicized" way, as suggested by its Director-General Roberto Azevedo.

This is what the WTO is designed for: to address trade-related differences between members within an international law architecture that balances rights and obligations, and serves as a "safety valve" to keep politics at bay as much as possible. The WTO is both a permanent platform to negotiate new rules and market liberalization, and a system to resolve disputes.

Already, the rest of the world has started preparations to persuade their US and Chinese counterparts to take part in discussion of WTO reforms, as shown in the Ottawa ministerial communiqué in October.

Canada, the EU, Japan and 10 other WTO members at diverse levels of development joined this important exercise.

6 approaches to consider

To balance the interests of the US, China and other members, President Trump and President Xi might consider the following six actions key to WTO reforms.

1. Revisit the rules of subsidies

These should be clearer and stricter about all forms of industrial subsidies. Attention should be paid to: the insufficiencies of the current agreement in levelling the playing field for state-owned enterprises (SOEs); stricter rules on fishery subsidies that contribute to overcapacity and overfishing; and distorted subsidies provided to farming.

2. Enhance monitoring and transparency

A rules-based system can hardly be effective when it operates in the dark. Furthermore, the legitimacy of 21st-century governance will be increasingly dependent on breaking asymmetries to information. Every possible way to provide full transparency about measures and policies affecting trade rules and enabling better negotiations must be explored.

The US and China would do well to involve new information technologies and critical stakeholders in trade policy review processes; put their weight behind a real overhaul of the relevant provisions and means to ensure compliance with notification obligations; and encourage counter-notification.

3. Trigger real, evidence-based and deeper discussion about technology transfer and the role of intellectual property right devices

In particular, review 20th-century governance to fit the new context of global innovation networks and practices driving technology advancement and transfer. Clear rules should be made with respect to the extent that governments will or will not be involved in technology exporting and importing.

4. Foster establishment of new or adapted rules for digitally-enabled trade

About half the WTO membership has been engaged since December 2017 in exploratory work towards future negotiations on trade-related aspects of electronic commerce. Imperative now is to articulate new cross-cutting provisions that enable economic actors to use digitization to get the most out of existing rules on goods, services and intellectual property. Similarly pressing is to craft new frameworks to address growing unilateral protectionist inclinations in the absence of adequate competition, and draft taxation and facilitation regulations that ensure more predictable and inclusive market conditions in the era of the Fourth Industrial Revolution.

5. Shed new light on development, including greater responsibilities for emerging economies

It has become an urgent matter to move away from inadequate GDP comparisons that define a country's eligibility to special treatment, and to design smart and dynamic rules based on sector-specific, purpose-defined thresholds. Legacy issues need resolution, such as crippling tariff peaks in developed economies and the update of rules governing trade in services. The US and China could also share ideas on how to re-engineer domestic policies and social contracts to help those disadvantaged by globalization.

6. Agree on an effective dispute settlement mechanism

This is imperative for good governance on terms of engagement for the global economy. Fundamental disagreements on the functioning of the WTO Appellate Body cannot leave its members without recourse to justice.

Alternatively, a new bifurcated system with two parallel tracks could be developed - one track for trade remedy and rules cases, and the other for all other issues.

Remedy cases require additional legal and accounting expertise. At the heart of the US pushback to the existing system is a 20-year-old disagreement about the WTO's rulings related to anti-dumping investigations. The US and China could pioneer a substantive discussion on the use of remedies in the new economy.

In a time of hardliners getting headlines, the G20 rendezvous offers President Xi and President Trump a precious opportunity to have a fireside talk. They ought to be reminded of the responsibilities of their respective superpowers to their peoples, to the struggling global economy and to the Agenda 2030.

Rules, not concessions, are crucial to solving their feuds in a sustainable way. The WTO reforms provide a timely platform for both sides to get out of the woods without being bitten by the tariff tiger.

Source: weforum.org - Nov 27, 2018

HOME

****

EU-Vietnam Trade Agreement Will Bring Ethical Shifts to Supply Chains

One indicator of the impact climate change is making on Vietnam is the migratory shift of inhabitants from the agriculturally-rich Mekong Delta to urban areas.

According to government statistics, more than 1.7 million residents have relocated out of the vast expanse of fields, rivers and canals over the last 10 years. Natural disasters have vexed the regional farmers trying to make a living of rice, shrimp and fruit production, and harvesting for export.

One in-depth study on migration in deltas revealed that climate factors such as extreme floods, cyclones, erosion, and land degradation play a role in making natural resource-based livelihoods more difficult, further encouraging inhabitants to migrate.

Likewise, the labor situation in Vietnam's manufacturing sector is equally problematic.

Forced and child labor, gender discrimination, health and safety issues, wage theft, excessive working hours, and more egregious behavior is commonplace in a setting where demand increases pressure to make and ship goods quickly at the lowest prices.

With this in mind, the Vietnamese government is setting up an equitable and sustainable response to climate change, and what seems a looming migrant crisis, by including environmental and worker rights stipulations in the EU-Vietnam Free Trade Agreement (EVFTA). The EVFTA will bring considerable benefits to all of the trading parties, and here's why:

- Vietnam primarily exports telephone sets, electronic products, footwear, textiles and clothing, coffee, rice, seafood, and furniture to EU members. Customs duties on more than 99 percent of goods will be duty free.
- Since the biggest foreign investors in Vietnam are from the EU, investment flows from the EU are estimated to increase.
- For the EU, the agreement is an important stepping stone to a wider EU-Southeast Asia trade deal.

The benefits don't come without conditions we haven't seen before, and they will add to the work of supply chains.

The FTA places emphasis on sustainable development, environmental protection and labor rights, requiring supply chains to establish and expose their practices in each of these areas. A primary chapter is dedicated to the labor and environmental matters relevant to trade relations between Vietnam and EU countries.

It outlines specific provisions aiming to promote "mutual supportiveness between trade and investment, labor and environmental policies," according to the "Guide to the EU-Vietnam Free Trade Agreement," while also dictating that the anticipated boom in trade doesn't come at the expense of workers and the environment.

Specific to climate change and environmental impacts, the FTA includes commitments for each party to implement additional multi-lateral environmental agreements. Companies participating in the EVFTA can mitigate risk and ensure their downstream suppliers are following all applicable safety and labor regulations by leveraging technology for traceability.

Communicating CSR policies and expectations downstream is of utmost importance, and one of the best ways to accomplish this is by conducting frequent and thorough supplier social responsibility audits.

Audits help paint a complete picture of what is happening at certain points in your supply chain. Equally important are the follow-up activities to ensure corrective action plans (CAPS) are completed.

Supplier inspections are a vital component to any global operation. Environmental safety, social responsibility standards and regulatory practices must be enforced to protect brand integrity and reduce the risk of costly product recalls. CSR should become part of a company's DNA, not a requirement to qualify for free trade.

Proactive companies will approach their auditing practices with a goal of increased transparency, by doing the following:

- Leverage technology systems to manage trading party and service provider data
- Build strong and collaborative relationships with suppliers
- Participate with trade associations and other groups to share, while learning from others
- Consult experts with industry knowledge to help

Auditing has also come a long way in the past few years. In the past, duplicative audits with multiple companies conducting the same audits on overlapping factories were a serious issue. It led to audit fatigue at the factory level, with often contradictory requirements leading to confusion during the audit. The advent of third-party and shared auditing has resolved many of these issues, with companies working together to resolve setbacks and mitigate risk without stepping on each other's toes or exposing sensitive information.

Digital, collaborative technology solutions are the key to preserving the trust of valued consumers and alleviating risk from litigation. Technology-based solutions help companies increase supplier collaboration and visibility, support greater supplier accountability, and provide a conduit for broader, proactive supplier management activities. The best technology solutions offer the functionality to fulfill the end-to-end, develop-to-shelf needs of both retailers and suppliers. Integration to external and third-party systems can push and pull information into a central repository to increase its value and preserve existing investments.

To ensure complete visibility and collaboration, technology should facilitate internal sourcing and compliance teams to work with factories, vendors and outside inspection teams to maintain strict adherence to the numerous performance standards, and subsequently build stronger relationships with each link in the supply chain through the collaboration tools on the platform.

Armed with solid information about human trafficking and labor conditions in the supplier network, companies will find themselves better positioned to mitigate risk and avoid the negative press that accompanies breakdowns in social compliance.

Source: sourcingjournal.com- Nov 27, 2018

HOME

****

Report: China's Plan to Clean Up Viscose Lacks Ambition, Transparency

China's plan to clean up viscose production falls short of expectations, according to a new report released Tuesday.

In "Dirty Fashion: Spotlight on China," Changing Markets Foundation claimed that a three-year roadmap established by the self-regulating Collaboration for Sustainable Development of Viscose (CV) lacks "ambition, clarity and transparency."

Constituted this year by 10 of China's biggest viscose manufacturers and two textile trade associations, the CV frames its platform as a way for companies to achieve sustainable viscose supply chains while helping their customers deliver on their sustainability commitments.

But the plan doesn't allow its members to attain the highest level of the Chinese Clean Production Standard for viscose, which the Chinese government recommends for companies selling to the international market, or a standard that aligns with the European Union's best available techniques (BAT) directive, Changing Markets said.

Instead, CV gives members a choice of certification standards and industry self-assessment tools that have been criticized by non-governmental organizations for being unambitious—such as the Programme for the

Endorsement of Forest Certification (PEFC), which Greenpeace has dubbed "fake forest certification"—or for taking a myopic approach by certifying only a part of the supply chain or the quality of the end product to the exclusion of everything else.

Not only does the roadmap fail to provide publicly available information about how it will be enforced, monitored or verified, Changing Markets added, but it doesn't mention whether it will sanction non-complying members either.

"At a time when major fashion brands such as Next and Inditex are sending a clear message to their suppliers to commit to responsible production of viscose, it is hugely disappointing to see such shortcomings in the CV roadmap," Urska Trunk, campaign advisor at Changing Markets, said in a statement. "It is a weak attempt to clean up the Chinese viscose industry and much more needs to be done to ensure that Chinese producers are aiming for the same level of ambition as other industry players. In its current format, brands and retailers should not consider membership of the CV initiative and commitment to the CV roadmap as proof of good environmental performance."

Changing Markets drafted its own roadmap after a 2017 investigation by the group found that viscose factories in China, India and Indonesia were dumping untreated wastewater in lakes and rivers, exposing local populations to cancer-causing substances and "ruining lives and livelihoods" by destroying subsistence agriculture through toxic run-off. Communities living in the vicinity of some of the plants complained about the lack of access to clean drinking water, along with "sickening smells" that made life unbearable.

The group's findings roused Asos, C&A, Esprit, H&M, Inditex, Marks & Spencer and Tesco to pledge to integrate Changing Markets' plan into their sustainability policies. Next joined their ranks not long after.

"The Changing Markets roadmap sets the viscose industry on a pathway to closed-loop manufacturing in line with what are currently the most ambitious guidelines for cleaner viscose manufacturing: the EU's BAT," the organization said. Lenzing and Aditya Birla Group, the world's top viscose manufacturers, it noted, have committed to achieving EU BAT.

Viscose is the third most commonly used textile fiber in the world, according to Changing Markets. Worth $12 billion dollars today, the global viscose market is projected to reach $15.9 billion by 2021. With China seizing a generous 63 percent slice of the global viscose market, the country's rapid growing textile industry has "become one of the biggest threats to its environment," it added.

But it doesn't have to be this way. As a biodegradable fiber, viscose has the potential to be a sustainable alternative to "oil-derived synthetics and water-hungry cotton," Changing Markets said.

"Committing to the ambitions of the Changing Markets' roadmap towards responsible viscose is crucial," said Felix Poza Peña, chief sustainability officer at Inditex. "By working together towards these goals, we are able to align our expectations of viscose manufacturers and build the critical mass necessary to accelerate positive change across the industry."

Source: sourcingjournal.com- Nov 27, 2018

HOME

****

Australian cotton production in 2019 to be less than half

Australian cotton production in 2019 will be less than half of this cotton year despite attractive pricing, according to Cotton Australia, whose managing director Adam Kay said production for 2018-19 was likely to be 2.2 million bales, down from 4.6 million bales last season, due to dry conditions limiting dryland plantings and competition from other crops.

Cotton plantings were, however, strong, he said, because growers regard cotton as it is being allocated water reserves and the best fallow to ensure strong yields and high quality, according to Australian media reports.

He said farmers were managing the drought to the best of their ability.

AgForce Queensland grains section president Brendan Taylor said farmers were mainly saving cotton for their irrigated areas.

Source: fibre2fashion.com- Nov 28, 2018

HOME

****

Global growth slowing amid rising trade, risks: OECD

Global economic growth remains strong but has passed its recent peak and faces escalating risks, including rising trade tensions and tightening financial conditions, says the latest Economic Outlook by the Organisation for Economic Cooperation and Development (OECD), Paris. Growth forecasts for 2019 have been revised down for most of the world's major economies.

Global gross domestic product (GDP) is now expected to expand by 3.5 per cent next year, compared with the 3.7 per cent forecast in last May's Outlook, and by 3.5 per cent in 2020, according to an OECD press release. In many countries, unemployment is at record lows and labour shortages are beginning to emerge. But rising risks could undermine the projected soft landing from the slowdown. Trade growth and investment have been slackening on the back of tariff hikes.

Higher interest rates and an appreciating US dollar have resulted in an outflow of capital from emerging economies and are weakening their currencies. Monetary and fiscal stimulus is being withdrawn progressively in the OECD area, the report says. The shakier outlook in 2019 reflects deteriorating prospects, principally in emerging markets such as Turkey, Argentina and Brazil, while the further slowdown in 2020 is more a reflection of developments in advanced economies as slower trade and lower fiscal and monetary support take their toll.

Trade tensions are already harming global GDP and trade, and estimates that if the US hikes tariffs on all Chinese goods to 25 per cent, with retaliatory action being taken by China, world economic activity could be much weaker, says the report.

By 2021, world GDP would be hit by 0.5 per cent, by an estimated 0.8 per cent in the United States and by 1 per cent in China. Greater uncertainty would add to these negative effects and result in weaker investment around the world. The report also shows that annual shipping traffic growth at container ports, which represents around 80 per cent of international merchandise trade, has fallen to below 3 per cent from close to 6 per cent in 2017.

Source: fibre2fashion.com- Nov 28, 2018

HOME

****

Global textile industry needs to innovate to emerge from its current fragile state

"The global economy is currently in such a fragile state that it is poised delicately between a slow recovery and a second slide. At this stage, it is important to sit collectively, analyse the current scenario, and jointly consider various future strategies. Continuous global crisis, high oil prices and turmoil and political instability are huge concerns to all businesses particularly textiles as people in crisis tend to reduce expenditure on textiles in crises as even in utter crises they always have clothes to wear."

China's textile and clothing exports have risen more than fourfold since 2000, compared to stagnant exports from other top exporting countries. The country's capacity development is also peaking as more than 40 per cent of the world's production of clothing and textiles is done in China and India.

Chinese middle class critical of government policies

Over the past few months, China's middle class has been noticeably critical of the government's economic and sociopolitical policies, including the way theGlobal textile industry needs to innovate to emerge from its current fragile state 001 leadership has handled relations with the US.

Some suggest this middle-class discontent threatens President Xi Jinping's broader position and economic vision and indicates that the US holds the advantage in the trade dispute with China. But the middle class' views which are the foundation of Chinese public opinion might be poised to turn in the Communist Party's favor.

The interdependency between emerging economies and developed economies could thwart latent demand in major manufacturing centers, specifically in Southeast Asia.

India to maintain its position as production hub

India will continue to be a major textile production center catering to a huge domestic market. But imports from China, Bangladesh are causing disturbance in supply chain however, government is taking corrective steps and a lot of favorable initiatives are being taken by textiles ministry to improve production synergies and textile business model.

Middle East saga

Middle East continuous to be a big consumer of textiles based on imports, major exporting countries to Middle East include China, South Korea, Indonesia, Turkey, India, Pakistan etc.

As the Middle East economy is affected, its textile business is also affected. Though the improving oil prices are offering lot of relief, it will some take time as economy has been adversely affected for last few years.

Need for constant innovation and research

However, textile industry has to constantly innovate and research. It needs to constantly invest in quality control and new opportunities such as defense textile, huge requirement of camouflage fabrics as size of armed forces is increasing all over the world. Similarly coated fabrics, industry textiles have become huge markets now.

The textile and apparel industry is buyer-driven and dominated by retailers, brands and sourcing companies. Retailers demand full-package service from their suppliers, but they are reluctant to pay for additional services. It is important in today‘s business environment to select customers who see you as partners.

E-Commerce platforms are turning out to be a big blessing as online sale is improving eliminating middle man.

Amazon, Flipkart, Snapdeal, Shopclues and many other small platforms are helping small manufacturers to produce high quality stuff. Current times are tough but textile manufacturers have seen much harder times in the past.

Source: fashionatingworld.com- Nov 26, 2018

HOME

****

E-com to boost global knitwear market in future

A report on the global knitwear market for 2016-26 predicts a rise in demand for knitwear products across the globe due to increasing use of e-commerce. There is also an increase in global online sales of knitwear products, which are part of the fashion and apparel industry.

The global e-commerce business of fashion and apparel is expected to increase from $408 billion in 2017 to over $706 billion in 2022, rising at a CAGR of 11.6 per cent.

Online sales boosts market size

Online sales of knitwear products is increasing due to growing penetration of e-commerce in emerging economies like Brazil, Russia, India, China, and South Africa (BRICS).

Increasing penetration of smartphones across emerging economies, rise in middle class population with increasing discretionary income, and innovative and advanced e-commerce technologies are also driving demand for knitwear products.

Online knitwear sales are also increasing due to a rise in average revenue per user (ARPU) in e-commerce knitwear products compared to ARPU of offline knitwear product sale.

The ARPU of e-commerce clothing market is expected to increase from $270 in 2018 to $301 in 2022. Knitwear products are a major segment of the fashion industry.

The e-commerce in fashion industry in the US and Europe are expected to expand at a CAGR of 8.8 per cent and 8.7 per cent between 2017 and 2022 respectively; on the other hand, e-commerce in fashion industry in China is expected to grow in double digits at a CAGR of 14.1 per cent between 2017 and 2022.

Thus, rising penetration of e-commerce in knitwear sales is boosting the market size of knitwear products across the world.

Product, fabrics, distribution channels drive up sales

The study segments the global knitwear market according to product and material types, application, consumerE com to boost global knitwear market in future 002 group and distribution channel.

Products are classified as: innerwear, t-shirts & shirts, sweaters & jackets, sweatshirts & hoodies, shorts & trousers etc. Based on fabric, the market is classified into natural, synthetic, and blended.

On the basis of application, the market is segmented into outerwear, innerwear, sportswear and others. Based on consumer group, the market is segmented into men, women, and kids. Further on the basis of distribution channel, the market is segmented into online and offline.

The analysis of these segments is based on present and forecasted global demand for knitwear products and prevailing and future trends across North America, Europe, Asia Pacific, Middle East & Africa, and South America.

Companies dominating the market

The report includes a SWOT (Strength, Weakness, Opportunity, and Threat) analysis of the market, Porter's Five Force analysis of the market, ecosystem analysis, key macroeconomic indicators influencing the market and raw material analysis of the knitwear industry.

The report highlights major companies operating in the global knitwear market including Adidas, Gap, Gildan Activewear, Hackett, Abercrombie & Fitch, Loro Piana S.P.A., Marks & Spencer, Nike, among others.

Source: fashionatingworld.com- Nov 27, 2018

HOME

****

China, first country that banned textile raw materials` export to Iran

The official import of clothes into Iran last year amounted to $59 million, which is a small part of foreign clothes in the local market, member of the board of directors of Iran Textile Exports and Manufacturers Association Majid Nami told reporters in Tehran.

"We have nearly $3 billion worth of smuggled clothes," he said. "Easy and high profits make smuggling of clothes economically beneficial."

He said currently there are some 300,000 people working in Iran's clothing industry, and the figure has the potential to increase to 1 million.

"But now our concern is the loss of 200,000 jobs," said Nami.

"Another problem is the flow of liquidity and circulating capital. Nothing can be done overnight by a producer, due to the rise in the price of currency and the fall in the value of the national currency," he added.

Referring to the currency supply problem, Eftekhari said that now, for one month, no currency has been given to anybody in the clothing industry.

"Before that, we were importing major raw materials from China through the Kunlun bank of China, but with the imposition of sanctions, China was the first country which announced that they will not provide us with textile raw materials anymore."

Source: azernews.az- Nov 27, 2018

HOME

****

Wage growth: India recorded highest average growth in South Asia, says ILO report

India recorded the highest average real wage growth in South Asia during 2008–17, according to a report by the International Labour Organisation (ILO).

Reflecting more rapid economic growth than in other regions, workers in Asia and the Pacific have enjoyed the highest real wage growth among all regions over the period 2006–17, with countries such as China, India, Thailand and Viet Nam leading the way, the Global Wage Report 2018/19 said.

In South Asia, India led the average real wage growth in 2008–17 at 5.5 against a regional median of 3.7. Following India was Nepal (4.7), Sri Lanka (4), Bangladesh (3.4), Pakistan (1.8) and Iran (0.4). The report said that all emerging G20 countries except Mexico experienced significant positive growth in average real wages between 2008 and 2017.

"Wage growth continues in Saudi Arabia, India and Indonesia, whereas in Turkey it declined to around 1 per cent in 2017," it said adding that South Africa and Brazil have experienced positive wage growth starting from 2016 after a phase of mostly zero growth during the period 2012–16, with negative growth in Brazil during 2015–16.

Russia suffered a significant drop in wage growth in 2015, again owing to the decline in oil prices, but has since then bounced back with moderate though positive wage growth. It also noted that a number of countries have recently undertaken measures to strengthen their minimum wage with a view to providing more adequate labour protection.

South Africa announced the introduction of a national minimum wage in 2018, while lawmakers in India are examining the possibility of extending the legal coverage of the current minimum wage from workers in 'scheduled' occupations to all wage employees in the country, it said.

The report added that wages grew higher and faster in less well-off countries last year than in richer nations, but salaries are still far too low in the developing world. Pay rose by just 0.4 per cent during last year in advanced economies, but grew at over four per cent in developing countries.

"We are seeing some degree – I don't want to exaggerate it – of convergence," said ILO Director-General Guy Ryder, noting that "wages in developing countries are increasing more quickly than those in higher-income countries."

"That sounds like good news, because we all want to see convergence around the world…But let's not exaggerate, because the gaps are still very, very big. Very often the level of wages is still not high enough for people to meet their basic needs," he added.

Overall, global wage growth declined to 1.8 per cent in 2017 from 2.4 per cent in 2016. The findings are based on data from 136 countries. In the last 20 years, average real wages have almost tripled in emerging and developing G20 countries, the ILO report also found, while in advanced G20 countries, they have increased by just nine per cent.

Faced with such low salary growth in richer economies in 2017 – with pay growing at its lowest level in a decade – the ILO chief noted with concern that this has happened despite a recovery in global output. For the first time, the ILO report also focuses on the global gender pay gap, using data from 70 countries and some 80 per cent of employees worldwide. Its findings indicate that despite some significant regional differences, men continue to be paid around 20 per cent more than women; "perhaps the biggest single injustice in the world of work", Ryder said.

In high-income countries the gender pay gap is at its biggest in top-salaried positions. In low and middle-income countries, however, the gap is widest among lower-paid workers, the ILO report found. Its data also suggests that traditional explanations for this – such as differences in the levels of education between men and women who work – play only a "limited" role in explaining gender pay gaps.

"In many countries women are more highly educated than men but earn lower wages, even when they work in the same occupational categories," said ILO expert Rosalia Vazquez-Alvarez. "The wages of both men and women also tend to be lower in enterprises and occupations with a predominantly female workforce." To reduce gender pay gaps, she recommended that more emphasis should be placed on ensuring equal pay for women and men, and on addressing the lower value placed on women's work.

Source: financialexpress.com- Nov 28, 2018

HOME

****

Pakistan: Cotton prices fall on slack demand

With buying interest absent, cotton prices moved lower on Tuesday in line with the global trend.

The underlying sentiment was weak and outlook remained uncertain. Only a few spinners indulged in selective buying of strictly quality cotton.

Leading spinners are complaining of slow off-take of cotton yarn in domestic as well as world markets and this has directly affected the cotton trade which is currently extremely slow, the brokers said. However, many ginners who have accumulated cotton stocks in anticipation of further devaluation in the rupee value are now faced with huge unsold stocks, brokers added.

Due to quality constraints, only small spinners are lifting cotton from local market whereas big spinning groups are largely depending on imported crop.

World's leading cotton markets also remained slow. The New York cotton moved lower. The Indian and Chinese markets also remained under pressure.

The Karachi Cotton Association (KCA) spot rates were adjusted downward by Rs50 to Rs8,750 per maund.

The following deals were reported to have transpired on ready counter: 400 bales from Sakrand were done at Rs8,150 to Rs8,250; 400 bales, Moro, at Rs8,300; 1,000 bales, Khairpur Mirus, at Rs8,550; 600 bales, Saleh Pat, at Rs8,750; 400 bales, Ghotki, at Rs9,025; 400 bales, Mirpur Mathilo, at Rs9,025; 800 bales, Sadiqabad, at Rs8,900 to Rs8,950; 600 bales, Rahimyar Khan, at Rs8,900 to Rs8,950; 1,800 bales, Tonsa Sharif, at Rs8,600; 400 bales, Bahawalpur, at Rs8,500; 600 bales, Haroonabad, at Rs8,400 to Rs8,450; 400 bales, Faqeerwali, at Rs8,300; 400 bales, Chichawatni, at Rs8,000 and 400 bales from Vehari were done at Rs8,000.

Source: dawn.com- Nov 28, 2018

HOME

NATIONAL NEWS

Commerce Ministry working with FinMin, PMO to improve export credit: Suresh Prabhu

The Commerce Ministry is working with the Finance Ministry and the Prime Minister's Office to sort out the problem of availability of finance for the export sector, Commerce & Industry Minister Suresh Prabhu has said.

"One big challenge for the export sector is the issue of finance. We have taken it up with the Finance Ministry. Once we have more working capital, in the export field you see more benefits," Prabhu said talking to the media on the sidelines of a logistics event organised by exporters body FIEO on Tuesday.

Exporters have been asking the government to urge banks to loosen their purse strings for the sector as a decline in credit was hitting their performance. Prabhu said that the Prime Minister was also aware of the problem and was `focussed on the issue".

In July 2018 (up to the 20th), export credit provided by banks fell about 47 per cent to ₹21,900 crore compared to the same month last year. Overall lending to the priority sector, however, increased 7.5 per cent during the month, as per the latest RBI data. Even compared to March this year, there has been a 22.7 per cent drop in export credit. FIEO on Tuesday, announced a major initiative to improve logistics cost effectiveness and operational efficiencies for India's global trade.

"India is now one of the fastest growing economies of the world, and is seeking superior logistics linkages with nations all over the world. We are pleased to announce Logix India 2019, that will enable effective international trade logistics and help provide efficient and cost-effective flow of goods on which other commercial sectors depend upon." Prabhu said at the announcement for the event.

About 100-150 foreign buyers are expected to participate in the event scheduled in New Delhi on January 31- February 2.

Source: thehindubusinessline.com- Nov 28, 2018

HOME

****

Vice President Calls For Modernization Of Textile Industry

The Vice President of India, M. Venkaiah Naidu has called for United Nations and other Multilateral Organisations to chalk out strategy to extradite economic fugitives. He was addressing the CITI Global Textiles Conclave 2018, organised to commemorate CITI Diamond Jubilee celebrations.

The Vice President said that world leaders he had met during his visits to Europe, Latin America and Africa appreciated India's development story and said that it was marching forward with remarkable growth. There was a tremendous interest in India's growth story in the world community, he added.

Naidu stressed the need to give major thrust to skill development, up gradation and use of Digital technology and adoption of lean manufacturing systems to remain globally competitive. The Vice President said that India has the unique advantage of combining traditional workmanship with modern methods.

The Vice President called for modernization of textile industry by proving requited skill, investment and market to recapture India's past glory in the textiles sector. He said that being the second largest employer after agriculture accounts for 21% employment.

Naidu said that UN and the world community must take lead and see that an agreement is made to exchange information on bank accounts. The Vice President said that Accountability and Transparency, Ethics in Business and Standards in Products must be maintained to sustain in the global competitive scenario. He said that India definitely has a competitive advantage in terms of abundant availability of raw material, skilled manpower, manufacturing competitiveness, huge spinning, weaving, processing and garment manufacturing facilities.

With the world moving towards 4th industrial revolution based on cyber physical systems, Naidu said that the Indian textile industry must take lead in industry 4.0 in view of the distinct advantage enjoyed by us in the IT sector. He called up on the textile industry to fully tap the potential of IoT cloud, artificial intelligence and big data and analytics.

He said that it was high time for the industry to establish textile industry 4.0 learning factory in all the major clusters adopting Hub and Spokes Model with Hub focusing on advance training and spokes focusing on basic training.

Source: business-standard.com- Nov 27, 2018

HOME

****

Gujarat: Cotton prices suffer 4% decline due to low demand

Lower demand coupled with an appreciating rupee against dollar has pulled down cotton prices in Gujarat. The price of benchmark Shankar-6 cotton variety has gone down by Rs 1,400-1,700 per candy since last Thursday, say market players.

Shankar-6 cotton price has corrected by 3-4% from Rs 45,500-45,800 per candy (one candy weighs 356 kg) to Rs 43,800-44,400 a candy within a week.

Market sources say that lackluster demand and the fact of Indian exporters losing competitiveness due to the appreciating rupee has brought down cotton prices in the local markets.

“Overall, the demand for the natural fibre has weakened as there are fewer buyers in the market. Even the yarn market is bad and demand in the international market is also not encouraging,” said Arun Dalal, a city-based cotton trader.

The exports of cotton have also slowed down after rupee started recovering against the dollar. “Appreciation in the value of the rupee against the dollar makes our exports less competitive in the international market.

Strong dollar allows our exporters offer cotton at competitive prices in the international market as their realisations in rupee terms remain higher even after giving some discounts,” explained another cotton trader.

“The rupee has strengthened against the dollar recently and this has affected our export competitiveness,” Dalal added.

Amid low demand, arrival of cotton in local markets, too, have slowed. "Around 40,000 bales (170 kg) are arriving daily, which used to be 70,000 to 75,000 bales during the same time last year," Dalal said.

Gujarat is expecting 16% decline in cotton output in 2018-19. According to trade estimates, despite increase in area under cotton cultivation, the production is expected to drop to 88 lakh bales from the 105 lakh bales produced in 2017-18.

Source: timesofindia.com- Nov 27, 2018

HOME

****

Export of polyster fabrics hit by slump

Recession and GST issues faced by the country's largest man-made fabric (MMF) industry in Surat has impacted exports from the country. The export of polyester fabric has declined by almost 13% compared to previous year.

According to the data compiled by the Synthetic and Rayon Export Promotion Council (SRTEPC), the export of Indian MMF during April-September increased by a meagre 1% to $3.1 billion compared to $3 billion during the same period last year.

However, the export of polyester fabric, mostly manufactured in Surat, decreased to $945 million in April-September compared to $1 billion during the same period previous year.

SRTEPC stated that the USA, UAE and Brazil were the leading markets for Indian MMF and polyester fabrics. However, the export of polyester fabric to UAE and Bangladesh has witnessed a decline of 23% and 32% respectively during April-September compared last year.

Sources said that the manufacturing of polyester fabric has taken a major hit due to powerloom weavers drastically reducing the manufacturing capacity by almost 60% in the last one year due to GST and market recession.

The production of polyester fabric has come down to almost 2.5 crore metres per day, against the daily average of 4 crore metres.

Chairman of SRTEPC, Narain Aggarwal said, “The overall export of MMF has seen a meagre increase in April-September 2018, but the biggest fall has come in the polyester fabric export. The export of fabric to Bangladesh and UAE has decreased due to external factors.”

Aggarwal added, “Majority of the members in SRTEPC are from Surat. Though the council is not having the perfect port data of export of polyester fabric from Surat, but certainly the impact of current recessionary trend has impacted the market.”

According to SRTEPC data, the export of polyester fabric from India has decreased in the key markets like Bangaladesh, UAE, Turkey and Belgium.

Source: timesofindia.com- Nov 28, 2018

HOME

****

High cotton prices spinning Punjab & Haryana industry

Soaring rates of raw material makes small units unviable

The gain of North India-based cotton farmers is the loss of spinning industry located in the area as the surging prices of raw material is squeezing their margin.

The raw material has become expensive due to poor cotton crops in Gujarat and Maharashtra.

Besides, the cotton prices in the northern states such as Haryana and Punjab are trading Rs 200-400 above the minimum support price (MSP) in the ongoing procurement season, industry experts said.

According to the industry, the MSP of cotton is higher by 26-28% in this season depending on the quality.

High prices, coupled with high input costs, have impacted the small and medium players in the northern region the most as compared to spinning units located in the western region where the respective state governments provide subsidies, experts based in Haryana and Punjab said.

"Millers in the western region, especially Maharashtra and Gujarat, enjoy certain incentives in terms of interest subsidy on bank loans and cheap power, which is not available in Punjab," Punjab Cotton Factories and Ginners Association president Bhagwan Bansal said. He said, at the current prices, India's cotton exports, especially from Punjab, will be uncompetitive.

With an installed capacity of 7.5 million spindles, the northern region contributes 15% to the total capacity of the country. The region comprising Punjab, Haryana, Rajasthan and Himachal Pradesh has around 200 spinning units.

"This is very difficult phase as the prices of cotton are trading much above MSP with traders entering the procurement bandwagon.

At this level, the procurement by small units is almost unviable as compared to large units where they have economies of scale because of investments in technology," said an executive of the Northern India Textile Mills Association (NITMA), who did not wish to be named.

The spinners complain that high prices coupled with high input cost are acting as deterrent in their growth.

"The high prices of cotton in northern India are impacting the margins of spinning mills. At this juncture, we can say the prices are at par with other countries," said Vardhman Yarns & Threads managing director DL Sharma.

According to experts, domestic prices of cotton have gone up because of high prices in the international market. Further, this year there is a fear of a decline in domestic cotton crops.

Meanwhile, mills are buying cotton for their short-term needs and expecting arrivals to pick up and prices to stabilise.

The Cotton Advisory Board has estimated a production of 36.1 million bales in 2018-19. It expects an import of 1.5 million bales of cotton.

Source: tribuneindia.com- Nov 27, 2018

HOME

****

Arvind rolls out garment manufacturing hub in Gujarat

Arvind launches its largest garment hub in Gujarat with two manufacturing facilities commencing operations at Bavla

As part of its expansion strategy, Arvind Ltd, the $1.7 billion textile-to-retail conglomerate, on Tuesday announced the launch of its largest garment hub in Gujarat with two manufacturing facilities commencing operations at Bavla near Ahmedabad. A third facility will come on stream over the next few weeks, the company said in a media statement.

These manufacturing facilities, set up with an investment of ₹350 crore, will strengthen Arvind's position in the global textiles and garment market as an integrated fibre to fashion provider and solutions provider to global retailers and brands, it said.

These facilities will add a capacity of 3 million garments per month and generate additional revenues of ₹1,000 crore.

"At present only 10% of the fabrics we produce are converted into garments. Our aim is to convert 50% of our fabrics into garments over the next 5 years. The Bavla facilities are a step in this direction. These facilities will also contribute to the company's foray into performance and functional wear (active wear) and synthetics. These new facilities are one of several we are planning to create over the next few years," Sanjay Lalbhai, chairman and managing director of Arvind Ltd, said in a statement.

These facilities are expected to employ 12,000 people as operations reach optimal capacity and many more ancillary jobs are expected to be created around these large-scale facilities, the company said in its statement. The textiles sector is being seen as a significant provider of employment in the near term in India as the country ramps up capacity.

"Gujarat has been at the forefront of the textiles value chain. The state's progressive textile policy has seen Gujarat become the leader in cotton production, spinning and fabric production. Now, with a supportive garment policy, the state is poised to become a large garmenting hub as this part of the global textile value chain becomes large in India. Arvind is leading this movement and the commencement of operations at the new facilities in Gujarat is a significant step towards this," it said.

The new Apparels and Garments Policy 2017, unveiled by Gujarat chief minister Vijay Rupani last year, aims to provide incentives for garment unit owners for generating employment by providing subsidy in wages.

A special provision has been made in the policy wherein women workers will be paid ₹4,000 per month and male workers will be paid ₹3,500 per month. This assistance will be for a period of five years. Other incentives in the policy include subsidy in interest, exemption of stamp duty and partial relief over electricity duty.

“Setting up of the garmenting hub by Arvind is a progressive development for the state of Gujarat. These facilities will help in creating employment opportunities for inclusive development of the state. The state government, through the new garment policy, aims to attract ₹1 lakh crore in investment and create 10 lakh jobs in the next five years. Our government will continue to provide support for all initiatives towards fulfilment of this goal,” chief minister Rupani was quoted as saying in the company’s media release.

Garmenting operations are the largest employment generator in the entire textiles value chain. They also provide a high return on investment.

Arvind Ltd. is on way to transform its textiles business by developing three large garment clusters in Gujarat, Jharkhand and Andhra Pradesh. Each of these clusters is expected to employ over 10,000 workers. Arvind’s current manpower of over 45,000 is expected to more than double as these clusters become operational and reach optimal scale.

Arvind Ltd. recently received the approval from National Company Law Tribunal (NCLT) for its scheme of demerger of its branded apparel and engineering businesses into separate entities.

Arvind Ltd plans to invest ₹500 crore per annum for the next 4-5 years with an aim to double revenue from its textile business to ₹12,000 crore, it said.

Source: livemint.com- Nov 27, 2018

HOME

****