TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY

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. 148 of 2019 July 29, 2019

US 68.87| EUR 76.64 | GBP 85.15| JPY 0.63

Cotton Market

Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm

Rs./Bale	Rs./Candy	USD Cent/lb
21005	43900	**81.17**

Domestic Futures Price (Ex. Warehouse Rajkot), August

Rs./Bale	Rs./Candy	USD Cent/lb
21110	44120	**81.58**

International Futures Price

NY ICE USD Cents/lb (December 2019)	64.54
ZCE Cotton: Yuan/MT (September 2019)	13,335
ZCE Cotton: USD Cents/lb	87.91
Cotlook A Index – Physical	**75.40**

Cotton Guide: There has been a bit of positive move in the cotton price by 1.35 cents/lb to settle in the week at 64.54 cents/lb for the active December contract. It is a mere positive trend in the price while no major change has happened and cotton continues to trade in the broad range of 60 to 68 cents/lb for the past 7 consecutive weeks.

The Chinese Government has approved several domestic companies to buy US Cotton, Corn, Sorghum, and Pork without being subject to hefty retaliatory tariffs has supported farm products to rise. However, there is yet no clarity that this news will push cotton price at a larger strength while 68 continues to be a strong resistance level in the short term.

Some textile mills have been given permission to purchase a total 50,000 tonnes of US cotton without paying the 25% retaliatory duty. Even with the tariffs in place, the US sold about 64,000 tonnes of cotton in May, according to the Chinese Custom data.

We need to note that US Trade representative Robert Ligthizer and Treasury Secretary Steven Mnuchin are set to be in China today for the first high level, face to face trade negotiations between the world's two biggest economies since talks broke down in May.

However, the talks between China and the US on tariff may not support global cotton price. Even if prices rise, this rise would be very short lived as the overall supply this year is over sufficient.

As per USDA's latest cotton and wool report, global cotton trade in 2019/2020 is forecast at 44.2 million bales, 7.5% above 2018/2019.

As global cotton production is projected to exceed mill use once again, world ending stocks are forecast at 80.54 million bales in 2019/2020, a 1.2 million bale increase over stocks at the end of 2018/2019.

With total cotton trade up 3.1 million bales, exports from the Unites States and Brazil amount for the majority of the increase. The United States is forecast to boost the shipments by 2.5 million bales (17%), as increased supplies and higher foreign import demand in 2019/2020 support higher exports. Brazil will also have increased supplies from its record crop in 2018/2019, with exports there forecast to rise 1.8 million bales (29%).

Cotton exports from India are forecast at 4.4 million bales in 2019-2020, while shipments from Australia are projected to decrease by 50 percent to 1.8 milion bales as supplies decline significantly due to production shortfalls. Meanwhile, higher import projections for most of the leading importing countries, are forecast for 2019-2020. China the leading importer is expected to import 10.5 million bales of raw cotton, 13.5 percent above 2018-2019 and the highest in six years.

Cotlook Index A 2018/2019	75.40 (Unchanged)
Memphis/Orleans/Texas	74.00
Brazilian	74.50
Memphis/Eastern	75.50
Cal/Ariz	76.50
Ivory Coast BEMA	76.50
Cotook Index A 2019/2020	75.00 (Unchanged)

Table 1: Cotlook Indices, Source : Cotton Outlook

The global stocks to use ratio is forecast to remain flat at 65% in 2019/2020, which would equal the lowest ratio since 2010-2011. Although China continues to hold the largest share (41%) of world cotton supplies, 2019-2020 ending stocks are projected to decrease 2.4 milion bales (7%) to 33.3 million bales – half the level reached in 2014-2015. However, stocks outside of China are expected to rise 8% (3.5 million bales) in 2019-2020, with a stocks-to-use ratio outside of China rising for the third consecutive season to 38 percent, the highest since 2011-2012.

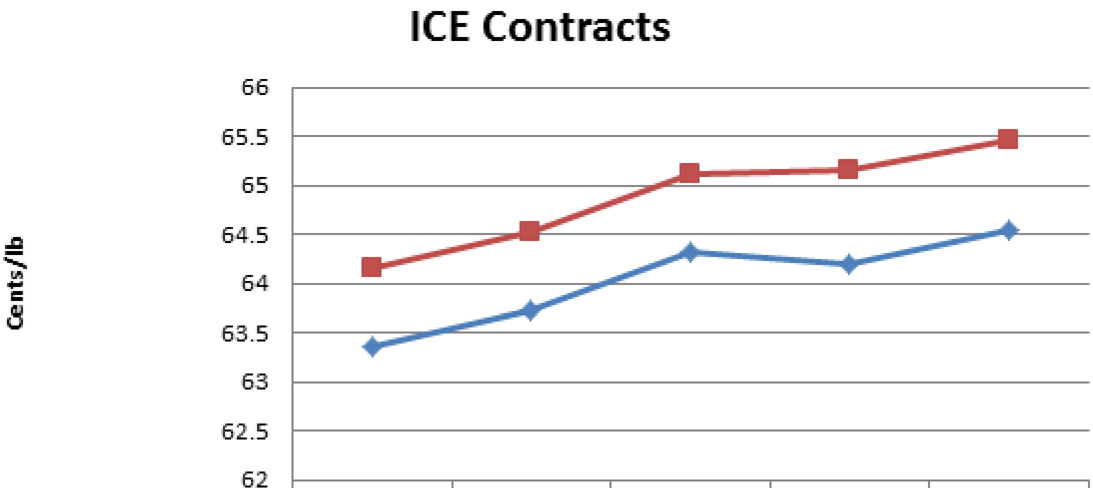
The Cotlook Index A is at 75.40 cents/lb (unchanged). The Cotlook Index A 2019-2020 is at 75.00 cents/lb (unchanged).

Price range in the short term-

Overall the cotton prices is set to remain in the range of 60-68 cents/lb, temporary gains above 68 could push to 70 while weakness may prolong below or near 60 cents in the short to medium term.

Domestic Market update-

The area planted with cotton was at 10.9 million hectares, up from 10.2 million hectares a year ago. Overall India has received 16 percent less rain than average since the monsoon season began on June 1. Monsoon typically brings rainfall between 96 percent and 1.4 percent of a 50 year average of 89 cm (35 inches) during the four month season, according to India’s weather office. Water levels in India’s main reservoirs were at 25 percent of their shortage capacity, against 40 percent at the same time last year, the latest government data showed. The average for the past 10 years is 35 percent.



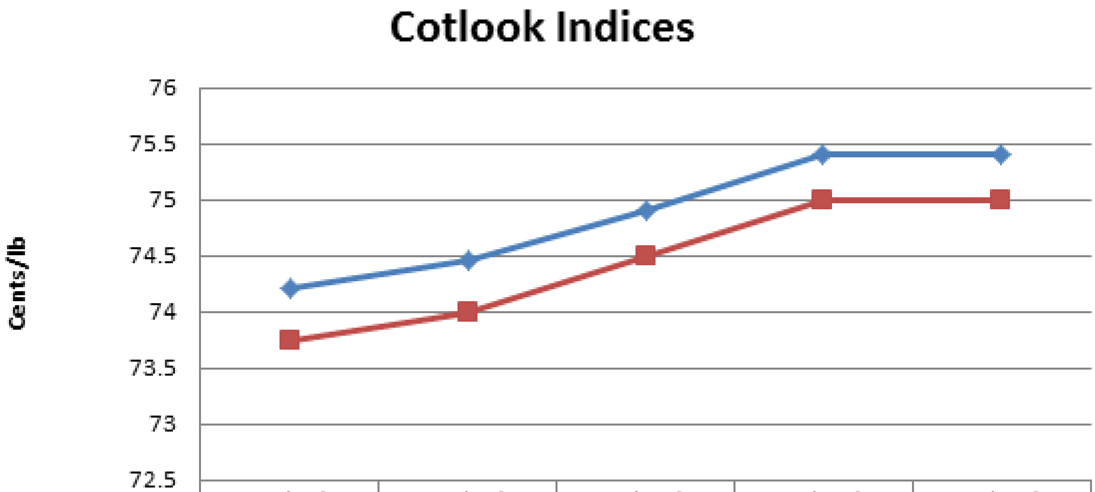
	22nd July 2019	23rd July 2019	24th July 2019	25th July 2019	26th July 2019
ICE December 2019	63.36	63.73	64.32	64.19	64.54
ICE March 2020	64.15	64.52	65.12	65.15	65.46

The spot price of cotton Shankar 6, 29 mm quoted last week at around Rs 43,600 and Rs 44,400 per candy ex gin.

Market is expected to trade around Rs 43,500 per candy. On the futures front, July has come to expiry while August posted a close at Rs 21,110 per bale while the next contract is October (new crop contract) trades at 20,240 Rs/Bale.

The August and October is at a backwardation of around Rs 900 per bale.

ICE Cotton contracts traded in the following manner last week-



	22nd July 2019	23rd July 2019	24th July 2019	25th July 2019	26th July 2019
2018/2019	74.2	74.45	74.9	75.4	75.4
2019/2020	73.75	74	74.5	75	75

On the technical front, ICE Cotton futures failed to maintain its momentum and declined after resisting the higher band of the downward sloping channel near 64.70 zone. Price is trading below the 9 day EMA (63.80) with weakness in RSI at 44. The strength index (RSI) in the daily charts is still under 50, which needs to move beyond 50 to change the bearish bias in cotton price, until then it could remain in the sideways to downside bias. However, divergence between price and the momentum indicator restricted the lower side for cotton futures. So for the confirmation of the same price need to sustain above the 64.70-64.80 zone along with RSI above 50. Only a close above 64.80 would push price towards 65.50. On the downside support exists around 62.35, followed by 61.80. So for near term price is expected to consolidate in the range of 61.00-64.80. In the domestic market MCX Aug future is expected to trade in the range of 20780-21200.

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 pushing for world's largest regional trade deal without US, hailing 'momentum' with Asian partners
2	China Needs New Places to Sell Its Mountain of Stuff
3	China Allows Some Tariff-Free U.S. Cotton, Pork Purchases
4	USITC advices on RoO modifications in US-Korea FTA
5	Trade uncertainties drive up U.S. fashion industry's sourcing costs from Asia: study
6	Bangladesh: Spurt in export earnings from RMG sales in India
7	Sri Lanka's Teejay eyes sales to new apparel plants in Africa, South Asia
8	Pakistan: The hyperbole of Pak-US trade
9	Pakistan: Chinese firms keen to invest in textile sector

	NATIONAL NEWS
1	India should ensure Industry's support to RCEP deal: Australian envoy
2	US-China trade war is an opportunity in textiles for India, says texpreneurs federation
3	RBI to ease priority sector lending norms for exports
4	Online trade: India steps up efforts to end moratorium on customs duties at WTO
5	Textile industry urged to focus on sustainable products
6	Trump targets developing countries, wants WTO to end "unfair benefits" in 90 days
7	'Need a scheme for upskilling of textile workers'
8	Garment sector says hit hard by dual GST
9	Government to kick off 7th economic census from Monday

INTERNATIONAL NEWS

China pushing for world's largest regional trade deal without US, hailing 'momentum' with Asian partners

China is pushing hard to conclude the world's largest regional trade agreement, hailed as "the most important free trade deal in East Asia", before the end of 2019 by rallying delegates from 16 countries that crucially does not include the United States.

The Regional Comprehensive Economic Partnership (RCEP) involves the 10 Asean nations of Indonesia, Thailand, Malaysia, Singapore, Philippines, Vietnam, Myanmar, Cambodia, Brunei and Laos, as well as China, Japan, South Korea, Australia, New Zealand and India.

China is a key promoter of the partnership, which is often seen as a China-led response to the now defunct Trans-Pacific Partnership (TPP) put forward by the US. Beijing officially insists that it is a deal led by the Association of Southeast Asian Nations (Asean) and that China is only playing a supporting role in the plan which mainly focuses on cutting tariffs and improving market access for services and investment across the region.

Vice-Commerce Minister Wang Shouwen, in a speech to trade delegates on Friday in central Chinese city of Zhengzhou, said RCEP is "the most important free trade deal in East Asia".

He added that all participants should "take full advantage of the good momentum and accelerating progress at the moment" to conclude a deal by the end of the year, according to a statement released by China's Ministry of Commerce.

The upbeat tone from Wang came a day after Commerce Ministry spokesman Gao Feng said that RCEP talks had achieved "much positive progress" this year and "the possibility of completing a draft text [in 2019] has increased significantly".

China is hosting 10 days of RCEP working level talks until Wednesday, which will be followed by a ministerial-level summit in Beijing at the end of next week.

It is the first time that China has hosted talks on the RCEP trade pact, which would include countries that cover around one-third of global gross domestic product and almost half the world's population, since the discussions began in 2012.

The deal, though, has been delayed repeatedly, with members failing to reach final agreements in each of the previous 26 rounds of talks. India, for example, has raised concerns about the risk the pact would pose to its economy if it resulted in the removal of tariffs on Chinese imports.

There are also widespread calls that better labour and environmental protections are included in the deal. These often controversial issues, as well as the likes of intellectual property, free information flow and subsidies to state-owned enterprises, do not feature heavily in the agreement.

The RCEP talks will continue at the same time that Chinese and American trade negotiators will resume their talks in Shanghai on Tuesday and Wednesday next week.

After US President Donald Trump withdrew from the TPP in January 2017, the pressure on China to forge a regional trade pact eased somewhat, however, the start of the trade war a year ago has given Beijing fresh incentive to push for a regional trade deal.

The TPP was a trade deal signed in February 2016 between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, and the US, but never ratified after the US withdrawal less a week after Trump's inauguration as president.

RCEP could help Beijing to manage the impact of US tariffs on Chinese products and to defend its role in the global trade landscape.

China's free trade deal with Asean, which officially started in 2010, has proved successful, with the latest data showing the 10-member bloc was China's second-largest trading partner in the first half of 2019 after overtaking the US.

Source: scmp.com - July 25, 2019

HOME

****

China Needs New Places to Sell Its Mountain of Stuff

China has too many factories making too many goods. Thanks to its punishing trade war with the United States, its biggest overseas customer isn't buying like before.

So China is seeking new customers. They could prove to be a hard sell.

China this week formally restarted its efforts to create a free-trade zone across the Asia-Pacific region, with an unlikely goal of striking a deal by November. If successful, the pact could eventually open markets from Australia to India.

Beijing is also trying to keep alive long-shot, three-way talks that would lower trade barriers among China, Japan and South Korea. More broadly, it avis unilaterally reducing its own tariffs on a broad range of goods from all over the world, even as it puts higher retaliatory tariffs on American-made goods.

At stake is the health of the Chinese economy. Last week China reported that its growth slowed to its most sluggish pace in nearly three decades, in part because the trade war with the Trump administration has begun to hit its crucial export sector. Global companies are now looking to shift work to other countries to avoid what could be a protracted trade war.

With no end in immediate sight, China needs new markets for what it makes.

"It's hard to replace the U.S., but you have to try, you have to diversify," said Chen Dingding, a professor of international relations at Jinan University in Guangzhou, China. "We don't want to rely on the U.S. market forever, even though it's important."

But trade pacts are difficult to strike, and China's potential free-trade partners have plenty of reasons to be worried.

No country can absorb the sheer volume of what China sells to American customers. China's regional neighbors compete against it in a number of industries. And China continues to maintain high tariffs and other barriers to protect its own industries — barriers that would have to drop if other countries were to sign on.

The economic clash between the United States and China has thrown the world trade system out of balance. China runs an annual surplus in manufactured goods trade of almost $1 trillion, meaning that is how much more it sells to the world than it buys each year. Nearly half of that surplus comes from trade with the United States.

China's overall exports to the United States slumped 8.5 percent in the first half of this year. China's exports to the rest of the world have risen only 2.1 percent. As Beijing's trade war with Washington drags into its second year, the question now is who might buy China's extra factory goods if the United States does not.

Already, the country is plagued with excess capacity for making cars, steel and other staples of global trade. More factory slowdowns and shutdown could lead to job losses and further drag down economic growth.

Faced with further potential economic pain, Beijing is looking to open up other markets. The centerpiece of its efforts is a push this summer to negotiate an Asian free trade pact called the Regional Comprehensive Economic Partnership, or R.C.E.P. The partnership would encompass the 10 countries of the Association of Southeast Asian Nations plus Australia, China, India, Japan, New Zealand and South Korea.

Midlevel and senior trade officials from across the region began meeting this week in Zhengzhou, China. Their ministers are then scheduled to join them in Beijing on Aug. 2 and 3. The goal is to outline a deal that Asian leaders might then work out at a summit meeting in Bangkok in November.

"We are continuing talking on this, and we hope we can accelerate the speed so that it can be concluded within this year," said Wu Jianghao, the director general of the department of Asian affairs at the Chinese Foreign Ministry.

China's leaders have talked since 2012 about the possibility of such a regional partnership, in response to President Barack Obama's plans for a multination trade deal called the Trans-Pacific Partnership that would have excluded China. Working out a deal would require solving some thorny issues.

“I’m not optimistic about that deal to be materialized in November,” said Takeshi Niinami, chief executive of Suntory, the Japanese beverage company, and a member of a council that advises Japan’s prime minister, Shinzo Abe, on economic issues. “Maybe we need more time,” he said.

One obstacle had been China’s own high tariffs. Beijing long feared that if it cut tariffs, manufacturers would flee China’s surging wages and find lower-cost refuges in countries like Vietnam and Bangladesh.

Starting in May of last year, China began reducing its tariffs. Trade tensions with the United States were rising. Chinese leaders had also become increasingly willing to lower protective walls around the country’s labor-intensive, low-tech industries so as to focus on more sophisticated manufacturing. Though average tariffs remain higher than those of the United States and the European Union, the categories for which China has reduced tariffs include many low-tech manufactured goods, like handbags and low-cost garments, which many of China’s neighbors would like to export.

“We will continue to lower overall tariffs voluntarily, remove non-tariff barriers, actively increase the import of goods and services, and enhance import facilitation,” Premier Li Keqiang said in a speech on July 2 in Dalian, China, at the “summer Davos” session of the World Economic Forum.

Winning support could be a tall order. India, for example, with its size and fast growth could be a potentially vast buyer of Chinese goods. But India protects its markets behind the highest average tariffs among the world’s biggest economies, and it fears floods of low-priced imports from China.

Still, Indian pharmaceutical makers want to ship more generic drugs to China. Service industries, like computer programming, want to make it easier for Indian programmers to get temporary work visas there.

“There are sectors that feel very vulnerable, and there are sectors that stand to gain, like services,” said Gaurav Dalmia, the chairman of Dalmia Group Holdings, an Indian industrial and financial conglomerate. Yet China has been wary of opening its doors to Indian pharmaceuticals and Indian workers. One possibility is that the negotiations could reach a deal that does not initially include India, said Mari Pangestu, a former trade minister of

Indonesia. But that would limit the benefits for the other countries in the talks.

Even if a deal is struck, it is not clear how much China might benefit. A number of potential members, like Japan and South Korea, are highly competitive manufacturers themselves and may not import a lot more.

China has also been in long-running talks with Japan and South Korea on a trilateral trade partnership. But the prospects for any new trade deal among China, Japan and South Korea have been put in serious question by a simmering trade dispute between Japan and South Korea.

Even if China strikes new trade pacts, it will still face pressure to find markets for the vast amounts of manufactured goods it makes, said Brad Setser, a former Treasury official in the Obama administration who is now at the Council on Foreign Relations in New York.

“There’s absolutely no other country in the world that is willing right now to replace the United States in running a close to $400 billion annual trade deficit in manufactured goods with China,” he said.

Source: nytimes.com - July 26, 2019

HOME

****

China Allows Some Tariff-Free U.S. Cotton, Pork Purchases

The Chinese government has approved several domestic companies to buy U.S. cotton, corn, sorghum and pork without being subject to hefty retaliatory tariffs, according to people familiar with the situation.

Some textile mills have been given permission to purchase a total 50,000 tons of U.S. cotton without paying the 25% retaliatory duty, the people said. A number of companies will also be exempt from the tariffs on American pork, corn, and sorghum, the people said, without specifying the volume.

The move follows the approval of some 3 million tons of U.S. soybeans for purchase with tariff waivers, according to people familiar with the situation earlier this week. There could be a second round of exemptions depending on how the trade talks progress, they said. China's commerce ministry didn't respond to a fax seeking comment.

U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin are set to travel to China Monday for the first high-level, face-to-face trade negotiations between the world's two biggest economies since talks broke down in May.

In a press conference on Thursday in Beijing, China's commerce ministry spokesman said companies are willing to buy U.S. farm products in line with domestic demand and their purchases are made on their own decisions. There is no direct connection between purchases and the resumption of trade talks, ministry spokesman Gao Feng said.

Even with the tariffs in place, the U.S. sold about 64,000 tons of cotton in May, according to Chinese customs data. Meanwhile, American exports of corn, sorghum and pork have slumped since the beginning of the trade war. China imported more than 620,000 tons of U.S. sorghum in April, 2018, before imports fell to almost nothing this year.

On Thursday, cotton for December delivery rose as much as 0.6% to 64.68 cents a pound on ICE Futures U.S. in New York, the highest since July 9, before trading little changed.

Source: ajot.com- July 26, 2019

HOME

****

USITC advices on RoO modifications in US-Korea FTA

The US International Trade Commission (USITC) has given its advice on the probable economic effect of certain proposed modifications to the rules of origin (ROOs) of the United States-Korea Free Trade Agreement (KORUS) on US trade under the agreement, on total US trade, and on domestic producers of affected articles. The USTR had requested such an advice.

The proposed modifications would liberalise the current ROOs for certain textiles and apparel by allowing the use of more non-originating inputs, thus making more products eligible for duty-free treatment under KORUS.

The proposed modifications cover three products: certain cotton yarns (under Harmonised Tariff Schedule of the United States [HTS] heading 5206) with viscose rayon staple fibres (under HTS subheadings 5504.10 or 5507.00); certain woven fabrics (under HTS heading 5408) with cuprammonium rayon yarns (under HTS subheading 5403.39); and certain apparel (under HTS heading 6110), accessories, and apparel parts (under HTS heading 6117) of cashmere yarns (under HTS heading 5108).

Overall, South Korea is a minor supplier of US imports of textiles and apparel, including the products subject to the proposed ROO changes, and a small market for US exports of these goods. The vast majority of US textile and apparel imports are from China, Vietnam, and India, with these three countries accounting for $61.2 billion (55.1 per cent) of total US imports in 2018. By comparison, Korea accounted for $924.3 million or 0.8 per cent of total US imports of textiles and apparel in 2018, of which 73.5 per cent already entered the United States duty free under KORUS. Similarly, of the $23.5 billion in total US exports of textiles and apparel in 2018, only $302.6 million, or just under 1.3 per cent, were to Korea, USITC said in its report.

Based on its analysis, the USITC said that the proposed modifications for the three products would likely have a negligible short-term effect on US trade under KORUS, total US imports, and total US exports. For each of the proposed modifications, the USITC expects a negligible short-term effect on US imports under KORUS and on total US imports. “Reasons for this include the relatively low value of dutiable imports from Korea currently, Korea accounting for a very small share of US imports, the recent trends in Korean exports of the affected articles to other countries, and the limited likelihood of substantial trade diversion,” the report said.

Moreover, due to Korea’s relatively small size as an export destination for US exports of the products subject to the ROO modifications and Korea’s limited imports of such products, the likely short-term effects of the proposed modifications on US exports under KORUS and total US exports are negligible as well, the report added.

For the modification affecting certain woven fabrics of cuprammonium rayon yarns, the USITC estimates that there would be no effect on US domestic production, as “there is no known domestic production of the articles covered by the proposed modification.”

However, qualitative information presented to the commission suggests that US domestic producers of the articles affected by the other two potential ROO modifications could potentially see a significant adverse effect resulting from the modifications. “The commission received two written submissions, one from a US producer of cotton yarns with viscose rayon staple fibres and one from a US producer of cashmere yarns. In each case, the producers stated that the proposed modifications to the KORUS ROOs could have a negative impact on their US production,” the USITC said.

The cotton yarn producer, Parkdale Mills, is one of many cotton yarn producers in the United States, and any of these firms could blend cotton yarn with viscose rayon staple fibres to make the product covered by the proposed modification. The cashmere yarn producer, American Woolen company, is the only known US producer of cashmere yarn.

Source: fibre2fashion.com- July 28, 2019

HOME

****

Trade uncertainties drive up U.S. fashion industry's sourcing costs from Asia: study

The imposing or threat to impose tariffs on imported goods by the U.S. government has driven up U.S. fashion brands' sourcing costs substantially from Vietnam, Bangladesh, India and China, according to a newly-released study.

Named as the 6th Fashion Industry Benchmarking Study, the study is based on a survey of 39 large and medium U.S. fashion brands, retailers, importers and wholesalers in April and May, 2019 by Sheng Lu, associate professor with Department of Fashion and Apparel Studies of the University of Delaware in cooperation with U.S. Fashion Industry Association (USFIA).

The study presents some troubling findings. "Not just costs in China are increasing, but the costs to source in the main alternatives to China, especially Vietnam, Bangladesh and India, also are soaring," said Julia K. Hughes, president of USFIA.

The unit price of U.S. apparel imports across the aboard increased by 10.7 percent in the first five months of 2019, according to the study.

The unit price of U.S. apparel imports in the first five months of 2019 from Bangladesh, Vietnam and India shot up 25.6 percent, 23.4 percent and 21.2 percent, respectively, the study showed citing statistics from Office of Textiles and Apparel under U.S. Customs and Border Protection.

"It's not really surprising because everybody wants to go there and they have very limited infrastructure and labor force," said Lu at a seminar at textile and garment exhibition Texworld USA 2019 on Wednesday.

Still, the number one driving factor of higher costs is shipping and logistic costs this time rather than wages or raw materials in earlier cases, stressed Lu.

Meanwhile, the unit price of apparel imports from China only grew 3.3 percent in the same period, according to the study.

Around 50 percent of respondents say their Chinese suppliers actually lowered sales price to keep sourcing orders while only around 3.7 billion U.S. dollars or about 9.3 percent of textile products imported from China are now subject to new U.S. tariffs, says the study.

Lu said U.S. actually imported less apparel from the Western hemisphere especially from Mexico and tariff measures increased the production costs of a lot of U.S. companies.

The biggest challenge now for the fashion industry is the impact of increasing production and sourcing costs and 84 percent of respondents said it is a challenge this year, according to the study.

Meanwhile, only 64 percent of respondents said they were "optimistic" or "somewhat optimistic" about the outlook for the next five years in comparison with 84 percent one year ago.

U.S. tariffs will do little to shake China's role as a dominant textile and apparel supplier for the U.S. market with only 6.7 percent of respondents expecting to decrease sourcing from China significantly in the next two years, according to the study.

No other country or region in the world could match China's enormous production capacity in the textile and apparel industry in the foreseeable future and China also doesn't have a near competitor in terms of variety of products, the study added.

Statistics show that China supplied 36 percent of total U.S. apparel imports by quantity and 33 percent by value in 2018 with Vietnam, the second largest supplier, only taking 13 percent of market share in the U.S. market.

Source: xinhuanet.com- July 27, 2019

HOME

****

Bangladesh: Spurt in export earnings from RMG sales in India

Export earnings of readymade garment (RMG) products of Bangladesh fetched some USD 499.09 million from neighbouring India in FY2018–19.

This led to an enormous growth of 79.09 per cent from the USD 278.67 million earned during the same period in FY2017–18.

Explaining the reason, the director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and managing director of Masud Apparels Ltd, Mohammed Nasir, told The Independent that local Indian business giants such as Reliance and Tata have started their apparel business and opened up retail chain shops across the country.

This has opened up an opportunity for Bangladesh to act as the prominent supplier for them, he added.

“Famous international retail brands such as Zara and H and M have established their businesses in India and we are the biggest supplier for them,” he also added.

“Another reason is that Indian domestic market has grown and the numbers of fashion-conscious consumers have increased. We import RMG raw materials such as cotton and machinery from India, so their exports are also increasing. It is a win-win situation for both the countries,” he said.

It is a good indication that exports to major destinations have turned around along with higher growth in the Indian market, said Nasir.

“India and China, these two countries, are the biggest markets for us because both countries have shifted their manual industries to high-tech industries and their wages have been increasing, which eventually ended up hiking the production cost,” he elaborated.

“The Indian market is closer for us compared to European and US markets, so there is a huge opportunity for us to penetrate the Indian market in future. This is because the shipment time is just four hours from Bangladesh to India,” he added.

It is a good sign that the export growth in India is increasing because the quality of products has increased but there is still a huge opportunity to penetrate the market as India imports goods worth USD 450 billion from other countries, he added.

Remediation work of more than 95 per cent factory buildings has been entirely completed and fulfilled the requirements of Accord and Alliance, the platform of two Western buyers, said Nasir.

The former senior vice-president of the BGMEA, Faruque Hassan, mentioned a couple of reasons. He said: “Famous international retail brands such as Zara and H and M have established their business in India and we are the biggest supplier for them.”

He too said it was a win-win situation from the perspectives of both the countries. The purchasing power of Indian people has increased, which has driven them to import more apparel from Bangladesh, he added.

RMG products earned USD 34.13 billion in FY 2018–19. It was USD 30.61 billion during the same period of the previous year (2017–18). The growth is 11.49 per cent.

Source: theindependentbd.com- July 29, 2019

HOME

****

Sri Lanka's Teejay eyes sales to new apparel plants in Africa, South Asia

Sri Lanka's Teejay Lanka Plc, one of South Asia's largest fabric mills, is eyeing sales to new apparel factories being set up in the region and Africa, a top official said.

"The increasing trend of locating apparel manufacturing plants in South Asia and the African continent, offer a landscape of many opportunities for the Sri Lankan fabric industry," Chairman Bill Lam told shareholders in the firm's annual report.

He said many global apparel manufacturers are relocating their apparel plants to South Asia from China, which has so far been the largest global garment producer.

This is due to changing US tariffs on Chinese products, and rising cost of labour in China, Lam said.

Teejay Chief Executive Shrihan Perera said that factories being relocated from China will also help lower costs for the firm.
"A likely decline in demand for cotton in China who is also one of the two leading suppliers of cotton yarn in the global market, could help curtail prices of our key raw material," he said.

Meanwhile, he said that there are only a few fabric mills present in Africa to compete with Teejay.

Therefore, setting up of new apparel plants in the continent offers Teejay sales opportunities, as Sri Lanka is located on a central maritime route to Africa, he said.

New opportunities are also opening up in India, where leading global apparel brands are seeking to capture the spending of the growing middle class, Perera said.

He said that since Teejay already has manufacturing facilities in India, the firm can offer competitive costs and delivery times.

However, the operations in Sri Lanka face high energy costs and infrastructure limitations, slowing expansion, Perera said.

"We are also constrained by the limitations to infrastructure at the BOI Zone," he said.

"Thus, it is our fervent hope that these limitations will be addressed with improvements and additions to the existing infrastructure in the near future."

Teejay, which specializes in making knit fabric recently has ventured into lace production at its Indian plant as well, in the firm's attempt to diversify income.
In the last financial year, the firm had added two global brands, Nike and Uniqlo to its portfolio, which also includes big brands such as L Brands, PVH, Marks & Spencers and Decathlon.

Source: economynext.com- July 26, 2019

HOME

****

Pakistan: The hyperbole of Pak-US trade

Amidst the spectacle of Khan-Trump camaraderie, one of the bones tossed around was the increase in bilateral trade.

“I see great trade with Pakistan. And I’m not talking about a little bit more. I’m talking about 10 and even 20 times what we’re doing right now,” said US President Donald Trump.

Those are big numbers to throw around. The United States is Pakistan’s top market accounting for 16 per cent of its exports in 2018. An increase of this magnitude would mean a jump of over $67 billion in our bilateral relationship, with exports increasing by $38bn.

Clearly, the words are hyperbolic. Trump pooh-poohed a 20pc increase in trade but even that would indicate a nearly $1bn increase in exports. Textiles dominate and make up over 80pc of exports to the United States.

Assuming an ideal scenario in which Pakistan and the United States are best buddies, what would it take for Pakistan's textile sector to make such a leap?

Amongst the many hurdles are the age-old woes of ease and cost of doing business that the textile sector has been lamenting since time immemorial. Then there is the current macroeconomic environment that is scaring off investors. And last but not least, the shortcomings of the textile sector that render it uncompetitive even if all other variables are in place.

Better Work programme

After the 2012 Baldia fire tragedy at a garment factory, Walt Disney sent a letter expressing concern about the safety standards in the industry. The upshot of it was that Pakistan was removed from the list of permitted sourcing countries since it scored 18 points on the World Governance Index (WGI) when the minimum qualifying requirement was 25 points.

"When Disney pulled out, it gave us two options — improve our WGI standing or join the Better Work Programme," said Pakistan Textile Exporters Association Chairman Khurram Mukhtar.

Better Work is a programme run by the International Labour Organisation and the International Finance Corporation. Its objective is to improve working conditions in the garment industry and make the sector more competitive by bringing together diverse groups such as governments, global brands, factory owners, unions and workers.

However, when Pakistan approached Better Work, it was informed that it "currently had more candidate countries that it could accommodate". This was back in 2013. An arduous process followed requiring feasibility studies and assessments.

Fast-forward to 2019, the process is finally bearing fruit and Pakistan is expected to be part of this programme this year, which will be funded by the Export Development Fund.

While there may not be a direct link between the Better Work programme and Pakistan's exports, it increases arsenal in Pakistan's ammunition, says Majyd Aziz, president of the Employers' Federation of Pakistan.

Compliance

The Disney ban did not materially impact Pakistan's exports, which have averaged around $3.6bn over the last 10 years.

However, it did highlight concerns regarding compliance.

"We can't take the risk to not be compliant, we will be sued!" Soorty Enterprises Managing Director Shahid Soorty says, contending they have to be ready for spot checks at all times. These words represent the generally held views of different big manufacturers/exporters representing various associations.

While the major players may be compliant with international standards, they do tend to outsource to Cut-Make-Trim (CMT) units, said a source in the sector.

CMT units are the most basic form of operations in the ready-made garment industry. Input and product specifications are provided by the retailer while garments are manufactured and packaged by CMT units.

Compliance covers issues like minimum wage, working hours, child labour, fire-fighting systems, working conditions, treatment plant, disposal of hazardous waste and so on. Some renowned international chains require a suite of additional compliance certificates as well.

While the big boys fulfil the requirements, the CMTs fly below the radar and adhere to far lax standards. Incidents like the Baldia factory fire draw attention to non-compliance in the sector and paint a negative picture, which costs the textile sector across the board.

Cost of doing business

A lot of pens have dwelled on the high cost of doing business in Pakistan, especially in the current macroeconomic environment, but it bears repeating.

"About 90pc of garment exporters are small and medium enterprises (SMEs)," says Shaikh Muhammad Shafiq of the Pakistan Readymade

Garment Manufacturers and Exporters Association. “With the withdrawal of zero-rating and a liquidity crunch, they will have to leave the market.”

This sentiment was echoed by various associations of textile exporters that asserted that the medium and smaller players were being forced to exit.

“Bangladesh can supply five-pocket jeans at $7-7.5 while Pakistan quotes $8-8.5,” said Mirza Ikhtiar Baig, a denim exporter. “This is why the bulk of orders go to countries like Vietnam, Cambodia and Bangladesh whereas Pakistan gets only spillover orders.”

“We have a factory in Bangladesh because of its lower cost of production. We get a 7pc discount there by default,” said Mr Soorty. In order of importance, he stated the ease of doing business, wages, labour laws, energy and other facilities were the reasons why Soorty Enterprises opts to export from Bangladesh while also having operations in Pakistan.

Since the majority of Pakistan’s exporters are SMEs, they do not have the critical mass to enjoy economies of scale. At most, they manage to get a stall in international exhibitions but lack marketing skills. Nor are they savvy enough to bid online for tenders with competing nations.

Sector shortcomings

The sector’s concerns and complaints notwithstanding, demand-side trends have changed over the last decade, which makes a dramatic increase in textile exports to the United States unfeasible in the short and medium terms.

Oil-based synthetic fibres have a lion’s share at 60pc of the world market while cotton’s share is about 25pc. Technological advances in synthetic fibres, better moisture absorbency and a lower cost of raw material make manmade fibre textiles a preferred option compared to Pakistan’s cotton-dominated exports.

There is a lack of research and development within the sector, a factor highlighted by the State Bank of Pakistan’s 2016-17 annual report that flagged a decrease in textile exports to the United States. The report stated that textile players are still “excessively focused on cotton-based textile and apparel products” when the market is moving elsewhere.

This situation is exacerbated by the absence of a strong domestic polyester industry with demand for manmade fibres largely met by imports.

The share of cotton products in the US textile imports decreased from 40pc in 2010 to 29.7pc in 2017, indicating a changing preference of consumers in foreign markets.

Pakistan's share in the textile and apparel imports of the United States in 2016 was 3pc, as per the US Office of Textile and Apparel. It was 5pc for cotton-based products. The manmade fibre imports by the United States in 2016 were $52bn, of which Pakistan's insignificant exports were $200 million.

Yet the sector opts to fixate on its cost of doing business woes without taking into account the evolving trends that have come after years of high cotton prices and improving synthetic technology.

The polo shirts and assorted apparel manufactured nearly two decades back are still the bread and butter of the garment industry.

Admittedly, the macroeconomic and business environments are key variables for Pakistan's textile export competitiveness. However, till firms move out of their comfort zones and take it upon themselves to improve operations and product offerings, any increase in exports will remain marginal at best.

Source: dawn.com- July 29, 2019

HOME

****

Pakistan: Chinese firms keen to invest in textile sector

Govt efforts to bring investment in Pakistan are yielding positive results, says minister

A delegation of representatives from China's top textile companies met Provincial Minister for Industry, Trade, Information & Culture Mian Aslam Iqbal on Sunday.

The objective of the meeting was their keen interest in developing business in the textile sector of Punjab that would change the economic landscape of the country. Head of the Chinese companies showed a keen interest in making investments in the textile sector of Punjab.

They said that Punjab is a very attractive place for investment and our companies will invest here. The Industries Minister welcomed the delegation and said the government is focusing on promoting export-led industry and import substitution for sustainable economic growth.

He stated that China can help increase Pakistan's exports by relocating export-oriented industries and initiating joint ventures in various fields.

The minister said that this will boost industrial cooperation besides strengthening the bilateral economic partnership between the two countries.

While talking to media, the minister said textile sector is a big sector of Pakistan and there are vast opportunities of investment in this sector. Special economic zones are being set up in various parts of the province and Chinese investors may invest in these special economic zones.

"We want to take benefits from Chinese technology and enhance industrial cooperation between the two countries," he said.

He said that these companies had also met with the prime minister and briefed him about their investment projects. He said that efforts of Prime Minister for bringing investment in Pakistan are yielding positive results and big number of foreign investors coming here for investment.

Mian Aslam Iqbal said a garment city spread over 400-acre land is being established at Kasur road, a Chinese company China Railway will invest 500 million dollars in this garment city which will produce 3000 job opportunities. He said that investors of Saudi Arabia, Singapore, Qatar and from other countries are investing in special economic zones. New investment is the hope of a bright future of Pakistan. Steps are being taken for ease of doing business.

Answering to a question, Mian Aslam Iqbal said, “We did not forbid anyone to hold meeting but there is the decision of High Court which prohibited to take procession on The Road. We cannot allow to create problems for the people by blocking roads with a few people.” He said that opposition can protest if it has any objection on the working of PTI government but no one will be allowed to make speech against Pakistan and its institutions. Later,

The provincial minister visited model bazaar Gulshan Ravi and reviewed the arrangements and checked the prices and quality of the essential items. He said that model bazaars have been set up to provide daily use items at subsidized rates. He directed to monitor the model bazaars regularly. Commissioner Lahore division was also accompanied the Minister.

Source: dawn.com- July 29, 2019

HOME

****

NATIONAL NEWS

India should ensure Industry's support to RCEP deal: Australian envoy

Australia's High Commissioner, Harinder Sidhu says political will to conclude the deal must be matched with persuading Indian industry.

The 16-nation group led by ASEAN countries is reaching the homestretch for talks on the Regional Comprehensive Economic Partnership (RCEP) Free Trade Agreement, which, if it is signed will include half the world's population and a third of its GDP. Making a push for India, Australia's High Commissioner, Harinder Sidhu says political will to conclude the deal must be matched with persuading Indian industry.

India and Australian PMs had set several deadlines for a free trade agreement between the two countries, called CECA, since 2011, but we have seen no movement on it. Has CECA now been shelved?

I wouldn't say that. What we've seen is an evolution in the economic relationship. CECA will always be an important element of our economic relationship, but I think what we have started to do is broaden our understanding.

It will always be useful for us to have a bilateral FTA, but the government in Canberra has now endorsed an Indian Economic Strategy, and the Indian government was so impressed by this document, it has commissioned a partner study of how India can build its economic relationship with Australia.

But the issues that stalled CECA negotiations still remain...

I think we always have some issues in a relationship, so it's not unusual to disagree. In fact, the facts show the economic relationship has not been scuttled because of the differences. Agreements like CECA take time, and come to a conclusion when the time is right.

To turn to RCEP, the multilateral FTA that India and Australia are part of. Australia just held the last round of negotiations...do you think that substantial outcomes can be achieved in RCEP this year, as planned?

From the last meeting in Melbourne, our sense is that we are reasonably optimistic that a conclusion on RCEP is achievable by the end of the year. The feedback from the Australian side and the Indian side was that the meeting was constructive. I see Minister Goyal has been consulting with industry members ahead of the ministerial RCEP meeting soon...There is a clear sign of commitment to an RCEP outcome, and it is clear that this goes all the way to the top in the Indian system, and I think that gives the RCEP negotiation a great deal of weight not just for India but for all negotiators.

But after those industry consultations, the statements issued by the Indian industry are very negative about RCEP. Are you convinced the political hurdles will be crossed?

That's for the Indian government to say. What I am hearing is political will to conclude the RCEP agreement. It's not just India that faces these industry concerns, as all trade negotiations are. Trade negotiations are an effort to balance the benefits of a trade deal with the concerns of industry. It cannot be in one direction or the other. So the task at hand, which I am sure the Indian government is doing is to explain that what RCEP will do for them is to open the door to multiple markets in one fell swoop. It allows Indian industry access to a number of countries in the region and is a pathway to India's economic development, which can only be good for industry.

Australia has taken a leadership position in working with India's concerns, which are not just about access to Chinese goods but also about the lack of movement for Indian services. Groups opposing RCEP have made the case that India has not benefitted in the trade balance from any of the FTAs it has signed. How will RCEP overcome that?

There are two issues here. A trade agreement doesn't bring benefits unless you used the agreement well. In a multilateral agreement, the benefits are multiplied. Indian negotiators like any good negotiators can get the best deal in their own country's interests. But the second part is that industry has to use the access that they gain from the agreement to extend their reach.

Could RCEP move ahead without India in November, if the government is not able to resolve these concerns?

It is Australia's view is that the great value of RCEP is that it includes the two biggest economies of the region, India and China. We would be very disappointed and we would actively argue against leaving any country, but particularly India. If we want to get a truly integrated economy in the region, having all the RCEP countries in the agreement is essential. We would not advocate for excluding India, we would actively advocate to include India and it is why I have put a lot of work into talking to the Indian government about the importance of RCEP and encouraging government and industry here to lean forward on the negotiations.

Source: thehindu.com- July 29, 2019

HOME

****

US-China trade war is an opportunity in textiles for India, says texpreneurs federation

The trade war between USA and China has provided a good opportunity to India in the textile sector, convenor of Indian Texpreneurs Federation Prabhu Dhamodaran said Saturday. With the global export of textiles pegged at USD 260-billion, the export from China to US has gone down by three to four per cent in the last five months, which has to be cashed in on by the Indian textile manufacturers, he said.

Dhamodaran was speaking after inaugurating the 2nd edition of the National Textile Conclave aimed at creating awareness and spreading the principle of Japanese '5S system' (which stands for: order, cleanliness, purity and commitment), and quality circle principles.

The conclave was organised by Quality Circle Forum Of India (QCFI) here. He further said manufacturers have to shift their focus to value-added products in apparel segment and large-scale apparel manufacturing, which would reduce the cost in basic commodity apparels.

Increase by one-billion dollar export from India would help in generating 1.5 lakh new jobs, he said. Prabhu said there was a need to strengthen the Tamil

Nadu textile sector by achieving manufacturing excellence, consistent quality, and continuous improvement to match the moving benchmarks.

QCFI executive director D K Srivatsava said the national convention of the forum would be held here in 2020. In his address, CEO of IDFC (Infrastructure Development Finance Company) Dr N S Rajan said happy employees deliver 30 per cent more productivity, two times more innovative solutions, which lead to less attrition in the organisations.
Source: financialexpress.com- July 27, 2019

HOME

****

RBI to ease priority sector lending norms for exports

Boost for strapped export sector comes amid slow global trade growth.

The Reserve Bank of India (RBI) has agreed to relax priority sector lending norms for exports by removing the turnover condition of Rs 100 crore and enhancing the maximum sanctioned limit to Rs 40 crore from Rs 25 crore now.

This boost for the credit-strapped export sector comes amid slow global trade growth.

The central bank will also review the threshold for export credit, which is capped at 2% of the total credit forwarded by banks, known as adjusted net bank credit (ANBC), to further ease the flow of credit.

"We propose to remove the turnover condition and enhance the maximum limit to Rs 40 crore," RBI governor Shaktikanta Das said in a letter to commerce and industry minister Piyush Goyal. ET has seen the letter.

Joint Responsibility

Stating that "only 0.03% utilisation of ANBC is there because of non capturing of turnover data in the system", he said the cap of 2% may be reviewed once it is utilised by the banks. As per data compiled by central bank , the balance outstanding for export credit by all commercial banks declined to Rs 2.26 lakh crore on March 31 from Rs 2.43 lakh crore a year ago. It was Rs 1.85 lakh crore on March 31, 2015.

Goyal had told the Rajya Sabha last week that the revised guidelines are expected to release an additional Rs 35,000-68,000 crore export credit under the priority sector. Soon after taking charge of the ministry, he chaired two meetings on the credit squeeze facing exporters.

He emphasised that it was the joint responsibility of banks and the government to ensure that export credit at competitive rates was available to businesses.

“We expect more easing for export financing,” said an official aware of the details.

The Reserve Bank of India could also park funds with overseas branches of Indian banks to give credit at concessional terms.

The relaxation in financing has come amid a slowdown in India’s exports which shrank for the first time in nine months in June as shipments to the key markets of Hong Kong, the United Arab Emirates (UAE) and China declined.

Moreover, global trade is projected to grow at 2.6% this year, a full percentage point below the previous forecast.

Exporters and industry said the easing is piecemeal and not sufficient for a country aiming at $1 trillion of merchandise exports.

“Whatever relaxation comes is welcome but this is a small amount for exporters,” said a leather exporter on condition of anonymity.

“There are certain banks which are close to that limit of 2% ANBC and may not get a huge encouragement from this move,” said the representative of an exporters’ group.

Priority sector lending requires banks to set aside a proportion of their loans to sectors such as farming, small enterprises, housing for the poor and education.

Source: economictimes.indiatimes.com- July 27, 2019

HOME

****

Online trade: India steps up efforts to end moratorium on customs duties at WTO

Says feasibility of imposing customs duties is not an issue

Stepping up its efforts to convince the World Trade Organisation (WTO) members to end the moratorium on customs duties on electronic transmissions or online trade later this year, India has said that the decision on imposing levies should rest with sovereign governments as a policy tool for their own development.

"We will continue with our efforts to deepen the discussion and engage with members to understand comprehensively and examine the various dimensions of issues surrounding the moratorium so that members can take a well-informed decision on the moratorium in December 2019 (when the moratorium expires)," as per India's statement at the WTO's General Council meeting earlier this week.

Countries such as India and South Africa are questioning the annual extension of the moratorium, which was first imposed in 1998 and has subsequently been extended every year, in today's world of advanced technologies such as 3-D printing. They argue that the moratorium had started eroding the existing bound rates for physical goods which are typically higher in developing countries.

In a recent study, Unctad too pointed out that if developing countries do not regulate their trade in data and software, then the rapidly progressing digital technologies have the potential to significantly decrease their ability to control their manufacturing and services trade.

Brushing aside concerns raised by some WTO members on the methodology used by Unctad, India said what was important was the key message highlighting the negative consequences of the moratorium and loss of policy space for developing countries. "We wish to underscore that the Unctad study has realistic estimates of 'electronic transmission' or 'online trade' in digitisable products and not just physical trade in digitisable products, as in earlier such studies.

The study is also conservative in the estimation of revenue loss as it has only taken a growth rate of 8 per cent for import of digitisable products against the average growth rate of global revenue of around 30 per cent for services like Netflix and video games during the reference period from 2011-17," the statement said.

On questions about the technical feasibility of imposing customs duties on electronic transmissions, India pointed out that members had started successfully levying GST on intangible imports. "Therefore, feasibility of imposing customs duties is not an issue," the statement said.

Source: thehindubusinessline.com- July 26, 2019

HOME

****

Textile industry urged to focus on sustainable products

150 delegates attend National Textile Conclave

Textile manufacturers should focus on sustainable textiles and look at consistency in quality, according to Prabhu Dhamodharan, convenor of Indian Texpreneurs' Federation.

At the inaugural of a National Textile Conclave, organised here on Saturday, by Quality Circle Forum of India (QCFI) and Indian Texpreneurs Forum (ITF), Mr. Dhamodharan said that the trade war between China and the U.S. was opening up opportunities for the Indian textile industry and creating new challenges too.

The trade war was reducing China's dominance in global textile trade. Chinese textile exports to the U.S. was down 3 % - 4 %. But, Bangladesh, Vietnam, and India achieved double digit growth during the same period. India could increase its exports using this opportunity.

For every one billion dollars of textile exports, 1.5 lakh new jobs could be created. The sector employed more women - 43 % of its workforce. So, boosting textile and apparel export was the best answer to the challenge of job creation. "We have the opportunities, we have the required eco-system. We need textile exports to grow in double digits," he said.

However, no buyer, either in the domestic or global market, would pay for the sector's inefficiencies. Hence, the industry should make structural changes. It should focus on value-added garments where the realisation per unit would be higher for blended products, and scale up volumes for basic commodities. "The industry should step up design innovation, have consistency in quality and go in for sustainable textiles," he said.

N.S. Rajan, CEO of IDFC Foundation, delivered a special address. D.K. Srivatsava, Executive Director of QCFI, and Mohanasundari, chaiperson of the Coimbatore chapter of QCFI also spoke. As many as 150 delegates took part in the programme that had eight technical sessions.

Source: thehindu.com- July 27, 2019

HOME

****

Trump targets developing countries, wants WTO to end "unfair benefits" in 90 days

Experts said that this move means the US has taken the right to declare the developing status of a country.

In a move to end benefits enjoyed by developing countries including India, US President Donald Trump has directed his administration to change rules in the next 90 days to prevent "self-declared developing countries from availing themselves of flexibilities" in global trade.

He said that nearly two-thirds of the members of the World Trade Organization (WTO) have been able to avail themselves of special treatment and to take on weaker commitments under the WTO framework by designating themselves as developing countries.

"The WTO is BROKEN when the world's RICHEST countries claim to be developing countries to avoid WTO rules and get special treatment. NO more!!! Today I directed the U.S. Trade Representative to take action so that countries stop CHEATING the system at the expense of the USA!," Trump said in a tweet.

He directed the United States Trade Representative (USTR) to “use all available means to secure changes at the WTO that would prevent self-declared developing countries from availing themselves of flexibilities in WTO rules and negotiations that are not justified by appropriate economic and other indicators” in a presidential memoranda on Friday.

Citing China and seven out of the 10 wealthiest economies in the world as measured by Gross Domestic Product per capita having claimed the developing-country status, Trump directed the USTR to not support any such country’s membership in the OECD.

Though India is not named in the memoranda, the US had removed New Delhi from the list of developing countries exempt from application of the safeguard measures on certain crystalline silicon photovoltaic (CSPV) products and large residential washers while withdrawing the duty free benefits to Indian exporters under the Generalized System of Preferences.

“They have already stopped treating India as dveloping country for the safeguard investigation. Even if India is not mentioned, it is already under threat,” said an expert on WTO issues.

Another expert said that this move means the US has taken the right to declare the developing status of a country.

Developing country status ensures special and differential treatment (S&DT) or provisions which allow them more time to implement agreements and commitments, include measures to increase trading opportunities, safeguard their trade interests, and support to build capacity to handle disputes and implement technical standards.

New format

Instead of floating a proposal in the WTO, the US has unilaterally decided to review the developing country status, something that is unprecedented, experts said.

“Instead of engaging in the WTO to reform it by appointing judges and help the crippled dispute settlement mechanism, the US is trying to bring in unilateralism in multilateralism by issuing directives. This is a new format of negotiations,” another expert said.

Earlier, the US had proposed withdrawal of special rights and exemptions for emerging economies which are members of the Organisation for Economic Cooperation and Development (OECD), Group of 20 (G20), classified as "high income" by the World Bank or account for more than 0.5% of global merchandise trade. Brazil had renounced its developing country status in lieu of OECD membership.

Such disregard for adherence to WTO rules, including the likely disregard of any future rules, cannot continue to go unchecked.

"Where appropriate and consistent with law, the USTR shall pursue this action in cooperation with other like-minded WTO Members," he said in the memoranda.

Source: economictimes.com- July 27, 2019

HOME

****

'Need a scheme for upskilling of textile workers'

The centre for apparel training at the NIFT-TEA College of Knitwear Fashion has proposed the government to introduce a scheme for upskilling of existing employees in apparel industry.

It said a pilot study conducted in Tirupur apparel cluster found 25% increase in productivity after the employees were upskilled.

Tirupur apparel cluster employs more than 6 lakh people in various processes from knitting to stitching. While the cluster developed on its own over the past four decades, the employees mastered their skills through informal training by joining the industrial units as assistants.

"In the coming year, the cluster might need around 2 lakh new employees. Shortage of workforce is higher here as the arrival of fresh employees has come down. It would be difficult to bridge the gap. At the same time, the lacuna in skill set among the existing gap is on higher side," said KJ Sivagnanam, head of the training centre at the NIFT-TEA.

During the pilot study, the centre provided upskilling to around 120 employees in eight knitwear garment units. "This resulted in 25% increase in productivity," Sivagnanam said. "We need a scheme for upskilling the existing employees. We have proposed that at least 2 lakh existing employees should be trained in Tirupur cluster. "

Source: timesofindia.com- July 29, 2019

HOME

****

Garment sector says hit hard by dual GST

In my whole career of 28 to 30 years, I have never seen such a low time in business and this is mainly due to the economic slowdown. Business volume at all-time low and we are into negative growth of business in all these years," rues Pawan Bansal, President Garment Manufacturer and Wholesalers Association (GMWA), Hyderabad.

He was speaking at the three-day business to business garment fair in the city, being organised by Garment Manufacturer and Wholesalers Association (GMWA) for garment manufacturers, dealers and retailers held here from July 28 to 30. Bansal explained that the main reasons for the economic slowdown in the garment businesses were demonetisation and GST.

"Before demonetisation, people had money which they could spend or save, but after demonetisation, they have been unable to do so as they are just spending whatever they get. We request the government to combine the two different rates of GST, then only it will somewhere benefit the manufacturers and wholesalers."

With all the intermediaries in the garment industry participating in this event, it was great opportunity for all the manufacturers and wholesalers to interact with and make new contacts, As per GMWA, the 21st garment fair would witness much wider participants in terms of visitors and exhibitors who were not only from Telangana and AP but also from Mumbai, Indore, Ahmedabad, Bangalore, Tripur, Kolkata, and Ludhiana.

One would get to come across a variety of product lines covering ranges in cotton and blends, woven and knits, treatments, and finishes, prints and patterns, lines and stripes, embroideries and appliqués. Visitors can expect premium mens wear, ladies wear and kids wear as well as hosiery with finishes that stand apart, they added.

Source: thehansindia.com- July 29, 2019

HOME

****

Government to kick off 7th economic census from Monday

As per the last Economic Census conducted in 2013, there were 58.5 million establishments employing around 131 million workers.

The government will kick off a massive exercise aimed to get a complete count of all economic units in the country-the Seventh Economic Census-from July 29 from the north eastern state of Tripura.

The census, conducted by Ministry of Statistics and Programme Implementation (MoSPI), will be held this year after a gap of five years. The ministry partnered with CSC e-Governance services India Ltd (CSC SPV) to conduct the census.

“We are starting with Tripura as it is a relatively small state where CSC is well prepared to launch,” said an official involved in the mega exercise. This would be followed by Puducherry where fieldwork would start soon.

The data will be collected through door to door survey of each household and commercial establishment under the provisions of Collection of Statistics Act 2008. The fieldwork is expected to be completed by December and the results at the national level is expected to be available by March 2020.

“The total manpower to be engaged in fieldwork is expected to be around 10 lakh,” the ministry said in a statement.

The census is the only source of information on the significantly large unorganized sector in the country.

As per the ministry, the information will be available at the lowest administrative level that is village and ward which can be used for focused policy making and local level planning to benefit the industry, especially the micro, small and medium enterprises and the citizens at large.

As per the last Economic Census conducted in 2013, there were 58.5 million establishments employing around 131 million workers.

Coverage

Economic census gives insights on the economic activities being carried out across the country, their geographical distribution, the number and distribution of workers, types of ownership and sources of finance.

It covers all structures across the country, whether residential or commercial but excludes certain economic activities such as crop-production, plantation activities, illegal activities, public administration and defence, and activities of extra-territorial organisations.

“The information on these sectors are available from the agriculture census and administrative records,” the official said.

Floating population, people living in open, establishments of shelter-less and nomadic population are also outside.

Source: economictimes.com- July 27, 2019

HOME

****