

IBTEX No. 176 of 2017

August 29, 2017

USD 63.97 | EUR 76.54 | GBP 82.78 | JPY 0.59

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	Rs./Candy	USD Cent/lb
19911	41650	83.09
Domestic Futures Price (Ex. Gin), October		
Rs./Bale	Rs./Candy	USD Cent/lb
18630	38970	77.74
International Futures Price		
NY ICE USD Cents/lb (Dec 2017)		69.83
ZCE Cotton: Yuan/MT (Sept 2017)		15,350
ZCE Cotton: USD Cents/lb		89.54
Cotlook A Index - Physical		80
<p>Cotton guide: The effect of “Harvey” the so called Hurricane is coming onto market with probability that earlier estimates of USDA on US production may be dented. Apparently major crop losses have been witnessed in the West Texas region, the major cotton growing areas in the US. However, some are also expecting earlier rainfall in the cotton growing region with better crop prospects may be compensated with the recent damage in the crop. Overall price action has been positive with market anticipating lower than 20 million bales of US production. Nonetheless, it’s too early to comment on especially the planting report released last evening post the markets were closed shows no sign of crop loss. As per the report 65% crop condition are better than the previous estimates of 63%. In other perspective entire trade fraternity is bit uneasy about the market trend though prices are advancing.</p> <p>The entire last Friday’s loss have been eroded on Monday as December posted a close at 69.83 cents per pound and the same is trading at 69.86 cents this morning in the early Asian trading session. We still believe 70+ cents area remains the key psychological point where market could look for fresh trigger to move either side. The charts have not turned completely positive yet as earlier in the early August</p>		

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price reversed down from 71.20 cents to 66.64. The structure has not changed much and we are relatively seeing on a good pullback in the price. For the near term we peg our trading band 70.50 to 69 cents per pound. However, the broad range should be 71 to 68 cents.

From the domestic front, spot price continues to hold steady near Rs. 43K per candy for the old crop while the new crop are still trading near Rs. 37700-37800 per candy. However, the October future has advanced in line with ICE positive trend and positive spot market. The October posted a close at Rs. 18630 per bale rebounded sharply from its intraday low of Rs. 18310. However, November and December contracts advanced marginally from the day low but ended on a negative note. For the day October may trade in the range of Rs. 18750 to Rs. 18500 per bale.

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

Indicative Prices of Overseas Ring Spun Cotton Yarn in Chinese market:

Indicative Prices of Cotton Yarn in China Date: 28/08/2017 Prices in US\$ FOB		
Country	20s Carded	30s Carded
India	2.50	2.80
Indonesia	2.56	2.85
Pakistan	2.27	2.71
Turkey	2.95	3.15
Source: CCF Group		

China yarn

Yarn markets kept turning better this week. Cotton yarn price showed stable to higher. Polyester yarn hiked a lot and rayon yarn showed stable. Polyester/cotton yarn and polyester/rayon yarn price tracked the hike of feedstock.

International yarn

In the cotton yarn market, futures trading on China's ZCE was launched on August 18. Volume has been light so far. The amount of cotton yarn imported during July showed a decline from the same month in 2016. Local demand has remained lackluster in Pakistan. Some downstream manufacturers have been looking to cover holiday requirements, but price ideas remained somewhat divergent. In India, the Telangana state government has announced inducements to attract further investment in the textiles sector.

Source: CCF Group

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INTERNATIONAL NEWS

Russian envoy anticipates \$100 billion trade with Turkey

Turkey and Russia's desire to expand bilateral trade to \$100 billion is demanding but an attainable goal that can be realized with the help of mutual investments globally, Russia's new ambassador to Turkey told Anadolu Agency on Monday.

Speaking in Ankara after the 86th Izmir International Fair, which was held between Aug. 18-27 and was attended by Russia as a partner country, Alexei Yerkhov hailed Turkey as a "crucial" trade partner for Moscow in a wide range of areas including the construction sector.

"There are very serious and important investment activities for Ankara and Moscow in our states that are not limited to only the construction sector. Russia's biggest companies have been investing in the Turkish economy for a long time while Turkish companies are operating very successfully in the Russian market.

Yerkhov said that bilateral trade between Turkey and Russia started with shuttle trade in the 1990's, but now the sphere of cooperation has expanded to the extent now that huge infrastructure projects are being implemented, including the Turkish Stream natural gas project and Turkey's first nuclear plant – the Akkuyu Nuclear Power Plant.

The trade volume reached a record high in 2010 with \$34 billion, a time when political parties first voiced the target of \$100 billion, according to the Russian ambassador.

"However it is important to note that our trade volume recently decreased extensively for known reasons as well as due to market conditions. It dropped around 50 percent compared to levels seen seven or eight years ago.

"Despite this, the target to increase the mutual trade volume up to \$100 billion is a demanding but attainable goal," he said.

Yerkhov underlined that both the business world and regional governors are working hard to reach this goal, adding that an important example to this effort is evident in the Alabuga Free Trade Zone in the Republic of Tatarstan in which Turkish firms actively operate.

In reaching the trade volume target, the cooperation and synergy between Turkey and Russia is key, Yerkhov said, adding that the recent agreement between Iranian private company Ghadir Exploration and Production Company, the Russian state company JSC Zarubezhneft and Turkish Unit International to develop oil and natural gas fields in Iran is a good example of this kind of cooperation.

"JSC Zarubezhneft is a very serious and successful company with extensive experience especially abroad. This trilateral agreement is a good example and indicator of cooperation between our countries," he declared.

The Russian ambassador also invited Turkish entrepreneurs to avail of a new Russian electronic payment system, branded 'Mir', which means 'peace' or 'world' in Russian.

Russia started to distribute its first electronic payment cards in June, which are independent from international payment systems such as Visa Inc. and MasterCard Inc.

"I am sure that the Turkish business world would like to integrate this system which now works only with the local ruble currency," he said.

Turkey's economy minister Nihat Zeybekci during his speech in Turkey's Aegean province of Izmir on the opening day of the Izmir International Fair, said Turkey wants to start negotiations on the Eurasian Customs Union. The union comprises members of the Eurasian Economic Union (EAEU), which includes Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia.

In response to the question on how Turkey-Russian and Turkey-EU relations would be affected by Turkey's aim to start negotiations on the Union, Yerkhov asserted that the issue is more to do with macro-economical balances, but he expressed his support for the negotiations.

He advised, as this was a new issue on the table, that it needs to be thoroughly investigated by Turkish and Russian experts, adding "but we are in favor of deeper examination of this issue."

Imports of Turkish tomatoes to Russia were discussed in detail during the Izmir fair both at the Joint Economic Commission level and among Turkish and Russian experts, according to Yerkhov.

"Today, Russia meets 80 percent of its tomato demand from the domestic market and 20 percent from Iran, Azerbaijan, Morocco, etc.," he explained. The ambassador highlighted the importance of two upcoming meetings to resolve the issue, one being the joint agriculture committee meeting to be held in Antalya on Sept. 13 and the other on Oct. 20 in a meeting of the Joint Economic Commission in Kazan.

"I hope that if we try we can find a mutually beneficial agreement at that time," he concluded.

After Turkey shot down a Russian military jet over an airspace violation in Nov. 2015, Moscow took several measures against Ankara, including banning imports of Turkish agricultural products and ending visa-free travel for Turks.

Since last summer, Russia has relaxed the measures and lifted bans on some products, particularly citrus fruits.

During a May 3 visit to Russia, President Recep Tayyip Erdoğan and his Russian counterpart Vladimir Putin had agreed on the resumption of trade, including food and textiles, but with the exception of tomatoes.

Source: dailysabah.com - Aug 28, 2017

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Australian wool prices adjust heavily downwards

In complete contrast to the impressive gains of the previous week, Australian wool auction sales adjusted heavily downwards last week ending August 24. By the close of selling, the AWEX eastern market indicator (EMI) settled at 1572ac clean/kg, eliminating 42ac from the record level set in the previous week. The EMI in USD fell similarly by 40usc clean/kg.

Following two weeks of consecutive rises and seeing the EMI go into record territory, the market finally hit a price point where the price hurt the prompt demand, and the market reacted accordingly. And over 18% per cent of the Melbourne merino fleece and 12 per cent of the Sydney merino fleece failed to reach growers expectations.

“Given the prices being offered were just off a record high level, this was a paradoxical figure to most exporter buyers, but perhaps it was more to do with the speed of the market adjustment rather the actual price level that caused such high passed in rates,” the Australian Wool Innovation said in its ‘Wool Market’ weekly report for sales week 8 of the current season.

The large orders emanating out of China in the previous week, seemingly dried up almost immediately at the start of last week. Buyers approached the sales with extreme caution, and as soon as weakness became the trend, most buyers retreated steadily to levels that were more reflective of where the buying demand has appeared the previous week. Those locally based exporters that had written forward orders also withdrew, and bought sparingly, waiting to achieve price levels that were more representative of where they had sold.

Merino qualities broader than 19 micron sold 60ac lower whilst the average and good top making types finer than 18.5 micron were sold to levels 30 to 40ac cheaper. Significantly though, very strong buying from Italy ensured a different market direction on the spinners and best top making sale lots. Very few bales were allowed to go to their competition and this led to a slight escalation in prices, bucking the trend of all other wool sectors.

Merino skirtings sold similarly to their fleece counterparts, with only the better pieces and broken types with less than 3 per cent vegetable matter (vm) holding onto their established prices.

The strong rally that gratefully appeared on the crossbred segment of the wool auction was seemingly short lived, as all of these crossbred qualities (26 to 30 micron) sold cheaper to varying margins of between 5 and 25ac clean/kg.

Carding types continued to soften as the largest buyers of these types were giving off weak signals of strength. Most traders were quoting cardings at levels which were 10 to 20ac cheaper by the close of selling for the week.

At this week's auction in Australia, around 45,000 bales are on offer.

Source: fibre2fashion.com- Aug 28, 2017

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No Agreement Yet on Possible Renegotiation of U.S.-Korea FTA

The U.S. and South Korea came away from a meeting last week with no decision on whether to proceed with a renegotiation of their free trade agreement. U.S. Trade Representative Robert Lighthizer said the U.S. is looking to make “substantial improvements” to the KORUS agreement but Korean Trade Minister Kim Hyun-chong said Seoul “did not agree” to the “unilateral” U.S. proposal to renegotiate. No further talks have been scheduled but a USTR press release said discussions on issues raised during the meeting will continue over the coming weeks.

The U.S. requested the special session to discuss implementation concerns as well as potential modifications and amendments to the FTA. Lighthizer said the U.S. is interested in remedying “burdensome regulations that often exclude U.S. firms or artificially set prices for American intellectual property” but is looking to resolve other concerns as well.

One such concern is the U.S. trade deficit with Korea, which according to USTR more than doubled from 2011 to 2016 as goods exports declined 2.7 percent and services exports saw virtually no growth. USTR noted that the trade deficit in the auto sector alone was \$24.4 billion, which was nearly 90 percent of the total U.S. goods trade deficit with Korea in 2016.

However, Seoul continues to assert that the FTA is not to blame for the deficit. Officials pointed out that the U.S. goods trade deficit with Korea was down markedly in the first half of 2017 and that the U.S. runs a surplus with Korea in services trade. Minister Kim said the two sides should “figure out” the real reason for the deficit through a joint study of the effects of the FTA before deciding on any additional steps. Korea is now awaiting a U.S. response to this proposal.

President Trump has threatened to withdraw the U.S. from its “horrible” FTA with Korea if he cannot secure sufficient changes. However, Minister Kim said this prospect was not discussed at the recent meeting.

Source: strtrade.com- Aug 29, 2017

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Iran: 22K Tons of Cotton Imported in 4 Months

More than 22,000 tons of carded and uncarded cotton worth close to 1.54 trillion rials (\$47.4 million) were imported into Iran during the first four months of the current fiscal year (March 21-July 22), the Islamic Republic of Iran Customs Administration announced.

The imports were mainly made from Uzbekistan, Italy, South Korea, Turkey, Tajikistan, China, Malaysia, India and Greece, Mizan Online reported.

In the last fiscal year (March 2016-17), more than 50,000 tons of cotton worth over \$100 million were imported.

Domestic cotton boll production is estimated to increase by more than 12% to reach 180,000 tons in the current fiscal year (March 2017-18), up from last year’s 160,000 tons, the manager of Cotton Project carried out by the Ministry of Agriculture said.

“We expect to produce some 60,000 tons of cotton fibers from this volume,” Ebrahim Hezarjaribi was also quoted as saying by Mehr News Agency.

According to Managing Director of Iran Cotton Fund Mohammad Hossein Kaviani, last year's domestic cotton production stood at approximately 40,000 tons.

Iran has the capacity to increase cotton production, but the low price of cotton compared with other agricultural products discourages farmers from embarking upon cotton cultivation.

“Our textile industries’ demand stands at between 90,000 and 100,000 tons per year and domestic cotton production is not sufficient to meet the demand. We have to import at least 50,000 tons annually,” he said.

Deputy Agriculture Minister Abbas Keshavarz said about 130 hectares of farms will, for the first time, go under the cultivation of cotton seedlings in Iran in the current Iranian year. “Some 100 hectares of these farms are located in the northern Golestan Province,” he said.

“The method [in which seedlings are planted rather than seeds] helps save water consumption in cotton farms by 40% and reduces the need for seeds to one-sixth. Also, plants can be harvested earlier this way,” he added.

Source: financialtribune.com- Aug 28, 2017

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Turkmenistan adopts law on cotton-growing

Turkmenistan's parliament has adopted the law “On cotton-growing”, the Turkmen government said in a message. The draft law defines the legal, economic, organizational basis of cotton-growing in Turkmenistan and regulates relations related to the turnover of raw cotton and cotton products.

The adoption of this law will give a new impetus to the development of both cotton-growing and a number of related industries.

It was previously reported that 545,000 hectares have been allocated for cotton in Turkmenistan in 2017, from which it is planned to harvest 1,050,000 tons of raw materials.

Cotton is a significant export product of Turkmenistan and is a demanded raw material for dozens of modern enterprises of the dynamically developing textile industry in the country.

Source: azernews.az- Aug 28, 2017

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Antimicrobial Textiles Market - Global Forecast to 2026

The antimicrobial textiles market is estimated to be valued at USD 527.9 million in 2016 and is projected to reach USD 1,076.1 million by 2026, at a CAGR of 7.4% from 2016 to 2026. Growth of the market is primarily led by the need for hygiene products to combat the increasing number of infections due to microorganisms, increasing end-use applications such as medical textiles and apparel, technological advances, and the high demand in the Asia-Pacific region.

The antimicrobial textiles market is segmented on the basis of application into, commercial, apparel, home, medical, and other wearables. Among these, the medical segment is projected to grow at the fastest rate over the forecast period as a result of the rising risk of diseases due to hospital acquired infections and the need to prevent transmission of infections.

For more information please click on:

<https://www.researchandmarkets.com/publication/m5v3u6l/4378036>

The rising demand for antimicrobial textiles is driving the market in the Asia-Pacific region. The market in the region is driven by the increased demand from China and India. China is the largest market in the region. Rapid industrialization, changing lifestyles, rising disposable incomes, and the expansion in the healthcare as well as technical textile industries is expected to drive the antimicrobial textiles market in the region.

Source: researchandmarkets.com - Aug 28, 2017

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Pakistan-Thailand agree to discuss final FTA, offer list by Oct 15

Pakistan and Thailand have agreed to present the complete offer list on Free Trade Agreement (FTA) on October 15, aiming at signing the final agreement in this regard.

Both side have agreed upon for dialogue on total tariff line and also willing to Mutual Recognition Agreement (MRA) for harmonizing the standards and products, senior official of Ministry of Commerce told APP here Monday.

Pakistan also wants concession on 100 products from Thailand granted to ASEAN countries, he said.

The final decision on Pak-Thailand FTA would be made during the 9th round of talks between the two countries scheduled on November 14-15 in Thailand.

Both sides had exchanged the final offer lists of items for free trade, including automobile and textile sectors for removing the reservations of the business communities.

During the 9th round, he said, talks would also be held on the text of agreement, tariff reduction modalities, complete request lists from both side and offer lists.

The official said Thailand had comparative advantage in around 1000 commodities, mainly electrical and electronic appliances, machinery and components and automobiles and parts.

He added that similarly, Pakistan had relative advantages in some 684 commodities including cotton yarn and woven textiles, ready made garments, leather products, surgical instruments and sports goods.

Talking about the FTA with China, the official said negotiations on second phase of the FTA with China would be held from September 13 to 14 in China headed by Secretary Commerce Younas Dhaga.

He, however, added that Pakistan was desirous to have duty relaxation on 45 products before launching the phase-II.

"We demanded unilateral relaxation on 45 different product for coming three years before signing Phase-II of FTA." the official said.

Source: breccorder.com- Aug 28, 2017

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All Bangladesh RMG units now under central welfare fund

Bangladesh Prime Minister Sheikh Hasina has announced that readymade garment manufacturing and exporting units will be covered under the labour ministry's central fund from which a worker or his children can get BDT 3 lakhs in case of grave injuries or death at workplace. If the injury or death is outside the workplace, the compensation will be BDT 2 lakhs.

The labour ministry welfare fund, created with 0.03% of the export volume of the industries under Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), is solely aimed at providing financial support to the workers' families.

While addressing an event at her Dhaka office where she handed over compensation cheques to the families of 234 deceased and crippled garment workers from a fund created by the readymade garments (RMG) sector, she urged the industry bodies to prepare a database of workers to make the process of lending support from the fund easier, according to a news agency report.

In the current fiscal, the advance tax for RGM industries was reduced to 0.70 per cent though 1 per cent was proposed in the budget, she added.

Source: fibre2fashion.com- Aug 29, 2017

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Cambodia International Textile Expo platforms textile technology

The seventh Cambodia International Machinery Industry Fair and Cambodia International Textile and Garment Industry Expo has emerged as a platform showcasing standardized advanced technology which would attract new buyers while the products would be of high quality, so orders would be increased.

Judy Wang, president of event organiser Yorkers Trade and Marketing Service, said there were 175 exhibitors from 17 countries and regions, including Bulgaria, Cambodia, Germany, Hong Kong, India, Italy, Indonesia, Japan, Malaysia, Poland, Singapore, Taiwan, Thailand, Turkey, United Kingdom, and Vietnam.

She added that there were about 200 booths to showcase a wide range of innovative products and versatile solutions for industry. The expo is of opportune timing and a crucial platform to promote and encourage industrial development in Cambodia.

Sat Samy, secretary of state of the Ministry of Industry, said the event was to promote industrial developments and foreign investments, especially to elevate imports and exports and create chances for industrialists to upgrade old equipment, seek cooperation, and discover new business opportunities.

He added this year the event was being organized over four days, covering all the elements of key industrial sectors such as plastics, packaging, printing, food processing, agriculture, auto parts and accessories, machine tools, energy and electricity engineering, lighting, and textiles and garments. The country needs to diversify its economic growth, and develop higher value added products.

Mr Tek Heng, operating manager of Garment Manufacturers Association in Cambodia (GMAC) said that the need high value added products increases the need of high technology and investment in machinery. The technology will help save electricity and increase quality. New technology was needed for GMAC to upgrade their facility such as machinery to increase productivity and save electricity.

He added that about 600 factory owners came to check on how they updated their production with new technology. The 600 factories focus on garment, textile, shoes, travel bags and clothes. The expo will be bringing the technology which their company's members need. Every year, new machinery is seen in the market so there is a need to update production to increase output.

To upgrade technology and machinery, GMAC also has the Cambodia Garment Training Centre Institute (CGTI) which was officially launched last week, a day after a visit by Prime Minister Hun Sen to garment and textile factories.

Mr Tek Heng said the centre, which is open to the public, is aimed at workers in the garment and textile industries and is a place where they can gain more intensive skills for the development of productivity in the sector. The four-day fair and expo will end today at Diamond Island Convention and Exhibition Centre.

Source: yarnsandfibers.com- Aug 27, 2017

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Global apparel sales to rise by \$156 bn, India's outlook promising: Euromonitor

As per Euromonitor International's baseline scenario, global apparel sales are forecast to rise by \$156 billion from 2016 to 2019 (measured in current prices), provided economic growth evolves. This essentially means that in three years, global sales are set to rise eight times the annual turnover of the world's largest apparel corporation, H&M Hennes & Mauritz AB, which generated \$19.8 billion in sales in 2016.

However, global growth is unevenly distributed. Only six countries will account for two-thirds of the forecast global growth, namely China, the US, India, the UK, Russia and Mexico. Furthermore, focusing on cities – i.e. at even more detailed geographic level – may further narrow the list of locations with the best potential for new stores. While the global apparel sales growth forecast is impressive, two-thirds of the total growth will take place in only six countries around the world, including four emerging markets.

Emerging cities with growth potential

Apparel retail sales in China are expected to rise by an impressive \$60 billion over the forecast period. Focussing on key cities in China may help capture most of the growth at minimal costs. While China's six megacities with over 10 million people account only for 7.2 per cent of country's population, they will account for 19 per cent of total growth of consumer expenditure on clothing and footwear.

India's growth outlook is also very promising. However, India is less urbanised in comparison to China and accessing significant share of the Indian apparel market would require coverage of a larger number of Indian cities. The six most rapidly growing cities in terms of consumer expenditure on clothing and footwear include Mumbai, Bengaluru, Chennai, Kolkata, Delhi and Hyderabad.

However, all of them combined will account for only 10 per cent of total forecast growth of consumer expenditure in India. To capture one-fifth of the growth of apparel sales (which required being present in six major cities in China), investors would need to carry out activities in at least 40 major Indian cities.

Mexico and Russia are two other promising markets for apparel retailers. They rank among the fastest emerging markets for apparel, even if their total market size will grow by relatively modest terms in comparison to India or China – namely, \$4-5 billion in each country over 2016-2019. Geographically, investment should be even more concentrated in Russia and Mexico in comparison to China or India.

Both countries are dominated by their key megacities, Moscow and Mexico City, respectively, which will account for 31 per cent and 15 per cent of total consumer expenditure growth. Growth in Moscow, given the relatively stable forecast of the Ruble's exchange rate, would be at par with major Chinese metropolitan areas in terms of expected consumer expenditure growth.

Source: fashionatingworld.com - Aug 28, 2017

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US outerwear imports rise four per cent this year

US' imports of men's and boys' outerwear increased 4.1 per cent in the first half of the year. An increase in men's outerwear was responsible for most of the gain.

China maintained its position as the largest exporter to the US for outerwear, increasing its share by 2.1 percentage points to 43.4 per cent of total outerwear imports in the first half of 2017. China is the largest source of both men's and women's outerwear in both the knit and woven fabrication segments.

Canada's outerwear shipments to the US have skyrocketed this year, with dollar volumes up by 126 per cent and units ahead by 46 per cent. The average cost per garment of imported Canadian outerwear has increased by 54 per cent in the first half of 2017.

Indonesia, India and Bangladesh, also key suppliers to the US, gained import share in the period. Though the second largest source of outerwear in the first six months of 2017, at 18 per cent of the total, Vietnam lost 0.9 percentage points of share in the period, with the biggest decline in the women's and girls' categories.

The first six months of the calendar year typically represent less than 30 per cent of annual outerwear imports.

Source: fashionatingworld.com - Aug 28, 2017

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Vietnam yet to reap benefits of EAEU as trade volumes yet to increase

Vietnam's pact with the Eurasian Economic Union (EAEU) which took effect in October 2016 has enabled the country to access a market of 183 million people with a GDP of nearly \$2.2 trillion. The union include: Russia, Belarus, Kazakhstan, Armenia and Kyrgystan.

Currently about 900 Vietnamese exporters are active in the EAEU market, with key exports including seafood, coffee, rubber, tea, rice, apparel, woodwork products and confectionery. From 2017, there has been a strong increase in Vietnam's import of Russian food, coal, steel, paper products and chemicals, while healthy growth has been recorded for Vietnamese shipments of mobile phone components, apparel and farm produce to Russia.

In fact, Vietnam-Russia trade makes up 90 per cent of total trade revenue between the country and the EAEU, while trade between Vietnam and Belarus and Armenia in 2016 even recorded a decrease from 2015. The reason: Vietnam has a long-time trade partnership with Russia and an inadequate understanding about other EAEU markets.

So Vietnam-EAEU trade has fallen short of potential, staying at just over \$3 billion on an annual average.

Vietnamese enterprises have to study these markets and boost their product quality to maximize trade before the EAEU signs free trade agreements with more nations.

Source: fashionatingworld.com- Aug 28, 2017

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Pakistani textile mills reel under costs, want policy initiatives to cope

High input costs are resulting in the closure of a large number of textile mills in Pakistan engaged in making yarn and fabrics. The spinning industry is incurring heavy losses by supplying yarn below cost. The textile industry has been hit hard due to the high cost of energy, resulting in making Pakistan's exports uncompetitive in the global market.

The industry now wants measures to be taken on an immediate basis to improve the efficiency and viability of the textile industry. These include: expeditious payment of long outstanding sales tax refunds and other refunds to address liquidity issue and check the large scale influx of imported yarn and fabrics in the country to save the domestic industry.

Pakistan has been facing a drastic decline in exports during the last four years. The country will encourage investment in the spinning and weaving sectors in such a manner that the maximum cotton can be converted into yarn and downstream products as it will facilitate farmers and the spinning industry while helping the whole textile chain and national economy in general.

Pakistan is helping the entire chain of textile sector to adopt and upgrade to new technology. Funds have been allotted to carry out research activities and bring about a qualitative improvement in industry-academia linkages.

Source: fashionatingworld.com- Aug 28, 2017

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NATIONAL NEWS

India begins investigation on NFY import from EU, Vietnam

Directorate General of Anti Dumping & Allied Duties, ministry of commerce and industry, Government of India, has initiated anti-dumping investigation concerning imports of “Nylon Filament Yarn (Multi Filament)” originating in or exported from EU and Vietnam. The product under consideration is “Synthetic Filament Yarn of Nylon” also called polyamide yarns.

The investigation has been initiated following an application filed by JCT Limited, Gujarat Polyfilms Pvt Ltd, Gujarat State Fertilizers and Chemicals Ltd, Prafful Overseas Pvt Ltd, and AYM Syntex (formerly known as Welspun Syntex). There are five other Indian producers of the product, namely, Salasar, JPB Fiber, Gupta Sythetics Limited, Century Enka, and Oriilon India Pvt Ltd. All the other producers have supported the application.

DGAD found sufficient prima facie evidence of dumping of Nylon Filament Yarn (NFY) originating in or exported from the European Union and Vietnam, causing ‘injury’ to the domestic industry. “Causal link between the dumping and ‘injury’ exists to justify initiation of an anti dumping investigation,” an official notification said.

The investigation will determine the existence, degree and effect of any alleged dumping and recommend the amount of antidumping duty, which if levied, would be adequate to remove the ‘injury’ to the domestic industry.

The period of investigation proposed by the applicants was April 2015 – September 2016, however, DGAD has taken the period of investigation as October 2015 – March 2017 (18 Months).

The injury investigation period shall cover the periods 2013-14, 2014-15 and 2015-16 and the period of investigation.

NFY is a synthetic filament yarn 2 produced by polymerisation of organic monomers.

The product under consideration is multifilament, and includes all kinds of synthetic filament yarns of nylon or polyamides, such as flat yarn - twisted and/or untwisted, fully drawn yarn (FDY), spin drawn yarn (SDY), fully oriented yarn (FOY), high oriented yarn (HOY), partially oriented yarn (POY), textured yarn – twisted and/or untwisted, and dyed yarn, single, double, multiple, folded or cabled, classifiable within Chapter 54 under customs subheading no. 5402.

The product includes all variants of nylon filament yarn or polyamide yarns such as flat/ textured/ twisted/ untwisted, bright/semi-dull/full-dull (or variants thereof), grey/ coloured/ dyed (or variants thereof), single/double/ multiple/folded/cabled (or variants thereof), whether or not sized, but excludes high tenacity yarn of nylon classifiable under customs subheading 5402.

The major end uses of NFY are in home furnishing and industrial application areas such as curtains, sewing and embroidery thread, upholstery, fishnets etc.

Source: fibre2fashion.com- Aug 28, 2017

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Sewing clothes still needs human hands. But for how much longer?

Robot tailors are on their way

IN 1970 William J. Bank, president of the Blue Jeans Corporation, predicted that there would be a man on Mars before the production of apparel was automated. Almost half a century later, he has not yet been proved wrong. Viewed through the lens of history, this is astonishing. Spinning was one of the first processes to succumb to industrialisation.

Weaving followed shortly afterwards. Cutting the resultant cloth into pieces from which an item is then assembled is easy now that patterns can be reduced to software. But, though effective sewing machines have been around since the 1840s, their activities still have to be guided by hand.

The idea of putting a bolt of fabric into one end of an automated production line and getting completed garments out of the other thus remains as impossible as it was in Bank's day. Two American companies, however, think that they have cracked the problem, and that a system which can turn cloth into clothing without the need for tailors is just around the corner.

One of these aspiring firms, SoftWear Automation in Atlanta, Georgia, already makes machines, Sewbots, that can turn out towels, pillows, rugs, mats and other such essentially rectangular goods. SoftWear's boss, Palaniswamy Rajan, thinks Sewbots are almost ready to take the plunge with actual garments—in particular, with T-shirts. The other aspirant, Sewbo, which is based in Seattle, has made a T-shirt already, as a proof of principle, though it does not yet have a commercial production system.

The problem both firms are trying to overcome is that cloth is floppy and behaves unpredictably when pushed around. It is thus hard to align two pieces of it in a way that allows them to be sewn together accurately. The putative solutions the firms have come up with are, though, completely different from one another. SoftWear Automation's approach has been to improve its sewing robots' ability to handle cloth—in essence, to make those robots more like human tailors. Sewbo's has been to make cloth itself easier for robots to handle.

SoftWear's Sewbots rely on two things: high-speed, high-resolution cameras able to monitor the movement of individual threads in a piece of cloth, and software that takes those movements and generalises them to describe the distortion and orientation of the fabric which the threads in question are part of. That permits a Sewbot to adjust the fabric appropriately as it is fed to the machine's needles. This feeding is done by a vacuum-powered robotic grip, which can be programmed to work with a variety of fabric sizes.

Sewbo's approach is to simplify the feeding process by stiffening the fabric. This is done by coating it with a thin layer of a plastic called polyvinyl alcohol before it gets anywhere near the needles. From then on, according to Jonathan Zornow, Sewbo's founder, it can be handled as sheets of metal might be in a car plant.

Aligning such sheets so that they can be sewn together is easy. And, once a garment is completed, the plastic can be removed by soaking in warm water. This is a routine procedure, for polyvinyl alcohol is already used elsewhere in textile production to strengthen yarn during weaving.

That both Mr Rajan and Mr Zornow have their eyes on the T-shirt market is no coincidence. T-shirts are structurally simple and demand for them is huge. Both of these things make them ideal for automated mass production. Mr Rajan thinks SoftWear's Sewbot T-shirt assembly lines will be able to turn out 3,300 items a day. He hopes to start shipping them within two years. Twenty-one of them will go to a factory in Arkansas that belongs to Tianyuan Garments—a firm which is the largest producer of apparel for Adidas, a German sportswear firm.

Sewbo's plans—those that have been publicly announced, at least—are less specific. The company's demonstration T-shirt was made last year. Now, Mr Zornow says, they are refining their methods for various types of fabrics and industrial settings. Though the first use of fully automated tailoring will be for mass production, he foresees the technology becoming more specialised quite quickly.

Removing the need for cheap human hands to assemble garments will permit factories to set up shop near customers in rich countries. That will allow rapid delivery to shops, and let retailers try things out in the knowledge that they can resupply successful lines almost instantly.

In the longer run, the automation of garment-making may also usher in an era of “mass bespokeness”, in which customers choose a style and have it made to fit their bodies in a way only haute couture or Savile Row can manage today. Whether that will happen before a human being walks on Mars remains to be seen.

Source: indianexpress.com- Aug 28, 2017

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India has portrayed 'rosy picture' of Bt cotton: panel

Indian Government agencies have portrayed 'a rosy picture' of the transgenic Bt Cotton that is far removed from the truth and the 'duality of the claims about the increase in yield of cotton' needs further examination, the parliamentary standing committee on science and technology headed by Congress party MP Renuka Chowdhury said in a recent report.

Released last week, the report criticised the government for its 'casual' approach toward the need for a scientific study on the impact of transgenic crops on health, a leading daily reported quoting the report.

"Can you imagine they did not think it fit to carry out any study on impact of GM crops on human or animal health? All the studies that the government have been quoting are done in other countries growing GM crops," Chowdhury said.

The report claimed the government cited only overall cotton output and not the average yield in area. "India's cotton yields increased by 69 per cent in the five years (2000-2005) when Bt Cotton was less than 6 per cent of total cotton area, but by only 10 per cent in the 10 years from 2005-2015 when Bt Cotton grew to 94 per cent of the total cotton area," it observed.

The committee noted that 20 years after introduction of genetically-modified (GM) crops in 1996, only six countries — the United States, Brazil, Argentina, Canada, China and India — continue to account for over 90 per cent of all such crop area globally. "If GM technology was so good, then why would all the countries not embrace it?" Chowdhury asked.

If GM crops are grown surrounded by indigenous crops, there is no way contamination can be stopped and the country could lose the competitive edge of some of its unique products, she added.

Source: fibre2fashion.com- Aug 28, 2017

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Good news: IKEA set to double local sourcing in India

Swedish furniture major IKEA is expected to increase local sourcing from the current levels and add about 20-30 suppliers from its 50-supplier base over the next 3-5 years, Sandeep Sanan, new business manager, purchasing & logistics South Asia at IKEA told FE. IKEA is expected to double the size of sourcing from 300-350 million euros annually.

Foreign Investment Promotion Board (FIPB) approved IKEA's 100% FDI in 2012 and the company has since been laying the groundwork for retail operations in India.

According to the regulation that governs 100% FDI in single-brand retail, IKEA must fulfil at least 30% local sourcing. "In the last two years, we have added 15 suppliers in new categories to the total number of suppliers at 50," Sanan said.

IKEA will be looking at expanding to categories such as bamboo, wood and natural fiber. "We will also focus on natural fibers such as the waste grasses, which are grown widely across the coastal region and see how we can convert them into products in a sustainable way," he added.

Among the largest furniture retailers globally, IKEA is gearing up to launch operations in India with its first store coming up in Hyderabad by April 2018. Besides Hyderabad, IKEA will be exploring markets in Telangana, Maharashtra and Karnataka, among others. The store will also have a 1,000-seat restaurant – IKEA Cafe as the company is targeting 5-6 million visitors for the store each year.

IKEA is leaning more towards local sourcing to offer competitive pricing against other retailers, such as Urban Ladder and Pepperfry. In addition to 'do-it-yourself' furniture, IKEA will also offer assembling services for a premium, which will depend on the size of the furniture. "Our approach, going forward, on the services part will be dependent on skill development, quality control and sharing knowledge," Sanan added.

IKEA was working largely with textiles, but over the past one year, it has forayed into a lot of new categories. "We have started exporting sofas from India under partnership with Kurl-On and also producing mattresses with partners", according to Sanan.

Currently, 70-75% of the sourcing from India consists of textiles from markets, such as Punjab, Haryana and NCR, among others. Going forward, IKEA will be looking at North-eastern states for bamboo plantation. Other states of focus include Telangana, Maharashtra, West Bengal, Odisha and Andhra Pradesh. "We focus on having a relationship that is long term and create a positive impact in the supply chain.

Private-public and entrepreneurs can also become partners at various levels such as plantation, local techniques for handicrafts, etc. The supply chain will be built in a way to help both – industrialised setups and handicrafts," Sanan said.

Source: financialexpress.com- Aug 29, 2017

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Textile mills cut cotton purchases from Gujarat by 40%

Faced with contamination in cotton from Gujarat, the largest producer of the crop in the country, textile mills in the south have cut procurement by about 40% or nearly 15 lakh bales (a bale is 170 kgs) from the state during the 2016-17 season (October-September).

Textile mills in the south buy around 40 lakh bales of cotton from Gujarat, which produces nearly 95 lakh bales per season. "Some mills have totally stopped buying Gujarat cotton," said P Nataraj, vice president, ICF and MD, KPR Mill, one of the largest integrated textile mills in the country.

The contamination results in a fall in the quality of yarn. It also leads to a 5% drop in yarn output. Cotton accounts for about 60% of the total costs in a textile mill.

With the increase in textile mills in Gujarat, ginners in the state have started mixing comber waste, ICF officials said. "It is very difficult to identify the contamination as comber waste looks cleaner than cotton," Nataraj stated.

Source: timesofindia.com- Aug 29, 2017

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With acreage up, industry expects cotton output to be sufficient

COTTON BALANCE SHEET		
Particulars	2015-16	2016-17 (P)
	(in lakh bales of 170 kg each)	
Supply		
Opening Stock	66	36.44
Crop	332	345
Import	22.79	26
Total Supply	420.79	407.44
Demand		
Mill Consumption	270.2	267
SSI Consumption	27.08	27
Non-Textile consumption	18	17.5
Export	69.07	60
Total demand	384.35	371.5
Closing Stock	36.44	35.94

(As drawn by CAB on August 18, 2017)

The position of cotton seems favourable at this juncture as the crop has been advancing quite well so far, but the next few days could be crucial. Though there is no doubt of a bumper crop, the challenge, however, lies in managing the fibre as mill consumption has

slipped significantly, said P Nataraj, Vice-President, Indian Cotton Federation (ICF).

Chairing the 38th Annual General Meeting of ICF, he brought to mind the Cotton Advisory Board's crop estimate for 2016-17 cotton season at 345-lakh bales (170 kg each).

“Normal monsoon and higher realisation, compared to other cash crops, has actually pushed farmers to sow cotton.

The area under the crop in 2017-18 is expected to rise at least 10 to 15 per cent of the earlier season's acreage,” said Atul Asher, Honorary Secretary, ICF.

The area has been estimated at less than 120 million hectares in 2016-17, and ICF sources predict a 10 to 15 per cent increase from the 2016-17 acreage during the 2017-18 cotton season.

Eye on prices

In a brief chat with this correspondent, Nataraj said that he expected the prices to remain flat at the fag-end of the season, and the closing inventory at a reasonably comfortable level.

“The prices at close of season tend to move north. But last year it remained stable throughout at around ₹40,000 and above. This has enthused more farmers to switch to cotton from other crops; arrivals are expected by mid-October. Reports of white fly in Punjab and the floods in Gujarat are expected to cause some yield loss.

The Centre, in its bid at doubling farmers’ income, has mooted a proposal for developing model farms through precision farming, use of quality seeds and inputs, among others.”

To a query on quality issues, he said the federation and other associations such as the Southern India Mills Association have been pressing the Centre to intervene, as the mills in the south were forced to reckon with contaminated supplies from Gujarat.

Meanwhile, J Thulasidharan has been elected as President of ICF for 2017-18. P Nataraj and K N Vishwanathan were elected as Vice-Presidents of the federation.

Source: thehindubusinessline.com- Aug 29, 2017

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Khadi Movement, the Assam edition of NEIFW promotes North East fabrics

‘The Khadi Movement - Assam Edition’ –the Assam edition of the North East India Fashion Week (NEIFW), is an event is conceptualized to inspire and encourage the upcoming handicraft artisans and designers of the region who are working exclusively towards the promotion of north east fabrics and culture. The Assam edition witnessed the participation of over 50 designers and indigenous weavers.

The organizer of the premiere fashion event is Affluent Ray of Light (ARL), a non-profit organization dedicated to globalize the social and cultural aspects of the different tribes of north east India. ARL’s motto is to promote and support the yarn makers, weavers, designers and craftsman will help the northeast culture tourism industry.

ARL believes that it is very important to preserve the north east region’s rich fabrics, traditional handlooms and handicrafts, and very few of the designers from the region are making an effort to do so.

Their mission is to promote and preserve the vast variety of indigenous textiles and crafts that are slowly losing popularity amongst the younger generation, through fashion shows and help create business and branding opportunities for industries directly or indirectly engaged in retailing handloom, textile fashion and life.

Speaking on the occasion, chief operating officer and founder of Affluent Ray of Light, fashion designer Yana Ngoba said that ARL is committed to support upcoming and established talented designers from the region. They , along with their partner NGOs, aim to help the weavers and designers from the region to create a niche for themselves. They are working in the field of training, marketing, skill development, capacity building, cluster development, and promotion of handicraft artisans of the region for the last 7 years. The North East India Fashion Week is a reflection of this journey.

Highlighting about the Assam edition of the fashion week, Jack Taniya Budh, chief operating officer for the Assam edition, said that the event is a prelude to the grand showcase that awaits fashion enthusiasts in Itanagar later this year.

He added that the NEIFW is a movement to provide a congressional platform to tell the stories of nature and connect the world through tale-telling clothes and creations. It helps to witness the nature's stories through yarn and beads in Guwahati.

Talking about the relationship of fashion with tourism, Yana Ngoba said that they desire to make a unique and positive contribution through fashion design. Tourism has vast potentials in the north east India region and if fashion can be integrated with tourism the overall industry will see a lot of positive change. They at ARL are trying their best to promote fashion tourism or culture tourism and explore the possible role the fashion industry can play in North East tourism sector.

The event was held on August 26, Saturday at the Assam Engineering Institute Field, Chandmari, Guwahati.

Source: yarnsandfibers.com- Aug 28, 2017

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Foreign artists showcase various aspects of Indian culture

While London-based fashion textile designer Vanessa Natalie Lovell is preparing to debut her textile collection at London Fashion Week next February, Australian artist David Brazier is planning a trip to the Taj Mahal along with his two children. What unites these two individuals is their love for Indian culture and tradition.

Lovell and Brazier showcased their multi-media artwork during a one-day exhibition titled "Associate Residencies" organised at Khoj Studios in the national capital on Sunday.

For the exhibition, Lovell has sourced hundreds of Indian textiles, handlooms and embroideries from places like Nehru Place and Shahpur Jat in New Delhi to cloth factories and shops in Jaipur and have then woven these together to create three hanging tapestries that give both an immersive and tactile experience to the viewer.

"I am half Polish and have always been attracted by the colourful, gypsy-like weaves and embroideries. I always wanted to explore the amazingly diverse textile traditions of India and most fond of chikankari, block printing, kantha work and banjara embroidery," Lovell, 24, told IANS.

Brazier showcased three video works apart from photographs. One of his videos features conversations with labourers in Malaviya Nagar that reveal the social hierarchy within the handicraft industry while his second video showcases a free-for-all art-wrestling completion set up in Khirkee Extension's bylanes. His third video features students of acting who were part of an "accent neutralisation" study group to show how Indians have become a homogeneous group belonging well and truly to a global workforce.

"I am interested in looking at issues of identity and displacement. And even though language was a barrier, through drawings and signs, we were able to communicate with each other. I have done a similar project in London before and this simple game reveals the true and hidden nature of a person," Brazier, who has been in India since 2009 as part of a British Council-Khoj collaboration, noted.

Source: business-standard.com- Aug 28, 2017

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