TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU
TEXPROCIL

TEXPROCIL
NEWS CLIPPINGS

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. 181 of 2018 August 31, 2018

USD 70.96| EUR 82.90 | GBP 92.40 | JPY 0.64

Cotton Market		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
22565	47200	**85.88**
Domestic Futures Price (Ex. Gin), October		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
23190	48508	**88.26**

International Futures Price	
NY ICE USD Cents/lb (Dec 2018)	82.76
ZCE Cotton: Yuan/MT (Jan 2019)	16,145
ZCE Cotton: USD Cents/lb	**91.50**
Cotlook A Index – Physical	**92.15**

Cotton Guide: Cotton futures settled lower in the active months for the second consecutive session, but prices still hold small gains for the week so far. Dec settled at 8226, down 50 points from previous close. It has a net gain of 63 points for the week as of Thursday's close. Trading volume was 15,707 contracts, the lightest volume in 3 and half weeks. Cleared yesterday were 18,774 contracts. For the last 10 sessions volume has roughly averaged 18,000 contracts.

The other markets US equities slipped slightly having settled at all-time highs in the S&P 500 and NASDAQ Indexes in the previous 4 sessions. Market was anxious to understand the ramped up threat of another $200 billion worth of tariffs on Chinese goods which would mean over 50 percent of Chinese imports would carry a tariff. In spite of the trade war USDA Weekly Export Report for the week ended August 24th was decent. It included 96,400 bales sold to

China, bringing their 2018-19 total commitments to 1,943,200 bales; and 2019-20 to 516,600 bales. Of those, 67,200 bales have been shipped. Total 2018-19 and 2019-20 net sales combined for the week were 210,800 bales (upland 200,200; Pima 10,600). That included 4,300 bales in cancelations. Weekly shipments were 175,000 bales (upland 172,600/pima 2,400). Total shipments stand at 633,600 bales (upland 613,400/pima 20,200). 48-1/2 weeks remain in the season.

In the meanwhile, China's ZCE futures had a second day of losses and now sit lower for the week. Much like ICE, though, the ZCE has been contained in a sideways pattern over the last two-plus weeks. Chinese State Reserve cotton on Thursday's auction had a turnover rate of 59.48%, spinners only. Offered were 30,003.415 tons (137,806 bales); and sold were 17,847.244 tons (81,972 bales). The cumulative turnover rate is 57.73% (offered versus sold). This auction series started at 24.1 million bales and 14.52 million bales remain.

On the technical front, market continues to trade in the given range of 81 to 84 cents however, slowly forming an upward channel which can be also termed as bear flag pattern, any slippage below 81 cents would pull the price to 80 and then 79 cents. However, long term support is seen at 79 cents to keep the market overall positive.

On the domestic front the spot price continues to trade steady near Rs. 47700 per candy ex-gin, S-6 variety for the remaining 2017-18 crop which translates to 86 cents per pound given the currency price. However, rates for Punjab J-34 are also marginally lower at Rs. 4,813 per maund (82.70 cents per lb). The MCX cotton October future slipped to make an intraday low of Rs. 22840 and closed at Rs. 22920 down by Rs. 70 from previous close. The trading for the day would be Rs. 22700 to Rs. 23000 per bale.

FX Guide: Indian rupee has opened 0.3% lower to hit a new record low level of 71.035 against the US dollar. Rupee is pressurized by selling pressure across emerging market currencies amid financial crisis in Turkey and Argentina. Higher crude oil price is also weighing on Indian rupee. Brent crude trades above $77 per barrel supported by Iran supply concerns, decline in US crude stocks and optimism about US economy. Also weighing on rupee is weakness in equity markets amid persisting US-China trade conflict. As per reports, the US president wants to move ahead with a plan to impose tariffs on $200 billion in Chinese imports as soon as a public-comment period concludes next week. The US dollar is also supported by general optimism about US economy amid better than expected GDP data. Rupee may remain under pressure unless we see stability in emerging market currencies or correction in crude oil price. USDINR may trade in a range of 70.6-71.25 and bias may be on the upside..

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

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	Apparel Production in Mexico Will Change Slightly Under NAFTA 2.0
2	Slower China Economy? Not for Clothes-Mad Shoppers Buying More
3	USA: New Consumer Perception Surveys Reiterate Demand for Natural Fibers
4	China to host World Textile Merchandising Conference next month
5	US cotton most preferred by mills, manufacturers across the world: Study
6	Vietnam's garment export up in 8 months
7	H&M Wants To Reinvent The Entire Fashion Industry, But It Needs Your Help
8	Warmer Kenya-US relations good for trade and investment
9	Afghanistan aims to double trade with India to $2 billion by 2020
10	Pakistan: PRGMEA urges Govt to declare 'export emergency'
	NATIONAL NEWS
1	Recipe for big leap in India's growth story
2	India likely to overtake UK to become 5th largest economy by next year: FM
3	MMF imports continue to rise, textile units worried
4	Why Amazon, Google Are Sizing Up Another Indian Retailer
5	TEA's 28th AGM mulls over challenges facing knitwear exports
6	Textile dept wants 150 acres land in Bhiwandi to build logistic hub
7	Hosiery traders worried as yarn price skyrockets
8	Pest management: Punjab cotton farmers conquer whitefly

INTERNATIONAL NEWS

Apparel Production in Mexico Will Change Slightly Under NAFTA 2.0

The renegotiated free-trade deal between the United States and Mexico has a new name and a new set of rules that will make it a little more difficult to manufacture apparel in Mexico.

From what trade experts know, the changes for apparel in the new free-trade accord, now being called the United States–Mexico Trade Agreement unless Canada decides to continue negotiating, aren't draconian. That is probably because the United States doesn't have a trade deficit with Mexico when it comes to apparel and textiles under the current North American Free Trade Agreement.

We export about $8 billion a year in apparel and textile products—mostly fabric and other raw materials—and import about $5 billion.

But still, the full details of the accord haven't been revealed and probably won't be released for at least another month as Congress examines the terms of the renegotiated deal, announced Aug. 27.

What is known about the trade agreement comes from a fact sheet previously distributed by the U.S. Trade Representative's office, which said the U.S. government wanted to require that sewing thread, pocketing fabric, narrow elastic bands and coated fabric, when used in apparel and other finished products, come from the free-trade region to qualify for duty-free benefits. Under the previous NAFTA deal, those raw materials could come from any region in the world.

One big question mark is whether trade-preference levels would be altered, allowing for some non-regional yarns and fabric to be used when producing garments within the free-trade area while still receiving duty-free status.

In previous negotiations, U.S. representatives—with the backing of the U.S. textile industry—had proposed eliminating TPLs. In the U.S. Trade Representative's fact sheet, it said the Trump administration did want to limit rules that allow for some use of non-NAFTA inputs in textile and apparel trade, but it didn't go into specifics.

“They [the U.S. trade negotiators] have been pretty silent on TPLs,” said Julie Hughes, the president of the U.S. Fashion Industry Association, a Washington, D.C., trade group representing apparel importers and retailers. “And that has been one of the major concerns for us. I have heard different things from different people who say there will only be minor changes.”

But no one is sure about the future of TPLs. Tom Gould, senior director, customs and international trade, at the international law firm Sandler, Travis & Rosenberg, said the companies he works with doing production in Mexico plan to use the TPLs as long as possible until the specifics of a new trade deal are implemented.

If they can’t use those TPLs—allowing a certain amount of fabric from countries such as China and South Korea for duty-free production—they will have to start using more regionally produced fabrics or move their production to other countries to keep their costs low. “Fortunately, my clients are not panicking because for a long time I have recommended that companies be agile and not put their eggs in one basket,” he said.

But there are several apparel companies in Los Angeles, he said, that are doing 100 percent of their production in Mexico and should be concerned about changes under NAFTA 2.0.

The little things

For years, sewing thread and pocket linings under the Dominican Republic–Central America Free Trade Agreement have had to come from regional sources, but that was not the case under NAFTA.

So, integrating those rules into the new free-trade agreement with Mexico shouldn’t be a huge problem as long as there is enough supply to go around.

Daniel Barcenas, who previously worked in sourcing with Hudson jeans and Fortune Fashions and now runs his own consulting company called the Barcenas Sourcing Group, believes there will be an immediate gap between the amount of regional sewing thread available and the demand by factories. “American & Efird makes some thread in the United States, but it is not enough,” he said.

American & Efird, the largest sewing-thread manufacturer in the United States, has five plants in North Carolina and one plant in Mexico.

Les Miller, the chief executive officer at American & Efird, said that most Mexican apparel factories currently are using regional sewing thread because it streamlines the production process. When it comes time to export their products to the United States, it makes life easier and the importing process more efficient when you don't have to explain where your non-regional sewing thread came from. "There is going to be little change as far as I know," he said.

Gail Strickler, the former assistant U.S. trade representative for textiles under the Obama administration and now president for global trade at Brookfield Associates in Washington, D.C., is more concerned about pocket linings.

In the past, apparel factories have often used fabric scraps left over from production to make pocket linings. With the new regional requirement, apparel manufacturers will have to verify that those scraps come from regionally made fabric instead of Asian or Central American fabrics.

"This regulation doesn't allow you to use waste material. You will have to trace where it comes from," Strickler said. "Pocket linings are a great place to recycle material."

The timetable

The Trump administration is scheduled to submit the United States–Mexico Trade Agreement to Congress on Aug. 31 to give them 90 days to examine the agreement under something called the Trade Promotion Authority, which allows for expedited congressional consideration of trade agreements struck by the executive branch.

"This is a chance for Congress to review the free-trade agreement and schedule briefings," said Steve Lamar, executive vice president of the American Apparel & Footwear Association, who is on all of the congressional advisory committees that will start reviewing the trade pact 30 days after it is submitted to Congress.

Once the advisory committee reviews take place, businesses and the public will have a better idea of what is actually in the free-trade agreement.

The big question is whether Canada will wrap up negotiations in time to be part of the accord, which first went into effect in 1994 and opened up the borders for trade between Canada, Mexico and the United States.

President Trump has threatened to keep Canada out of the pact if it doesn't agree to some of the United States' demands.

But few people want to see Canada left out. Rick Helfenbein, president and chief executive of the AAFA—a trade group in Washington, D.C., that represents hundreds of apparel, footwear and sewn-products companies—said it is mandatory that Canada remain in the free-trade deal.

"It is essential that the updated agreement remain trilateral," he said.

Source: apparelnews.net- Aug 30, 2018

HOME

****

Slower China Economy? Not for Clothes-Mad Shoppers Buying More

If China's economy is slowing, it's sparing shoppers of apparel and shoes for now, judging by prices of some raw materials.

Take polyester, the ubiquitous yarn used to make synthetic fabrics found in everything from Adidas shoes to H&M dresses and Under Armour leggings. Prices in China have risen this year to the highest level since at least 2014, official statistics show.

The main reason is the "somewhat unexpected" garment-consumption growth in the world's most populous nation, according to Salmon Aidan Lee, a consultant at Wood Mackenzie Ltd. in Singapore.

China's consumer confidence index reached the highest level in more than two decades in February, according to the statistics bureau.

Apparel companies that sell their products in the nation are seeing shoppers flocking to buy their merchandise this year and sales are strong, said Catherine Lim, a consumer analyst at Bloomberg Intelligence in Singapore.

The earliest indicators for China's economy show that the pace of expansion slowed for a fourth month in August, highlighting the pressure for the government to push through pro-growth policies.

While growth in demand could potentially slow due to uncertainty over the economy and equities market, one thing is clear—shoppers are still purchasing their favorite clothes.

"If you're just looking at apparel and shoes, these are very basic items," said Lim. "Consumption demand is basically still rising and so far July and August look good. Even if there is a slowdown, it's not going to be severe. Of course, you can't expect demand to grow hypothetically 20 percent year-on-year, but people still need to use them."

Source: sourcingjournal.com- Aug 30, 2018

HOME

****

USA: New Consumer Perception Surveys Reiterate Demand for Natural Fibers

Natural materials cotton, wool and silk scored high on consumer perceptions of which fibers are safe for the environment in two surveys from Cotton Council International (CCI) and Cotton Incorporated.

In the U.S., among 500 people who were asked, "Are the following fibers safe for the environment," 79 percent said cotton was safe, 62 percent said wool was and 56 percent gave the nod to silk.

In a global survey that interviewed about 10,000 people in 10 countries outside the U.S., 83 percent thought cotton was safe, 75 percent said silk was and 74 percent said wool was environmentally friendly.

Results from the U.S. survey showed negative perceptions of synthetic and cellulosic fibers.

Just 33 percent to 36 percent said nylon, polyester and spandex were safe for the environment, perhaps due to the connection to the more chemically oriented manufacturing process or news of alleged microplastics pollution.

Cellulosic fibers Tencel, modal and rayon also registered small percentages of 17 percent to 27 percent of respondents who perceived of them as being safe for the environment. This is possibly due to lack of knowledge of how those fibers are derived. The perception also could be that such fibers might be harmful to forests, since in the case of Tencel and modal, the fibers are wood-pulp based.

The global respondents, from the U.K., Mexico, China, Colombia, Germany, Thailand, India, Italy, Japan and Turkey, were more measured in their responses. A range of 49 percent to 56 percent of them said the synthetic and cellulosic fibers were safe for the environment.

When asked, "Which type of clothing is best described or represented" by a range of attributes, U.S. respondents had more faith in cotton. For example, 86 percent of Americans said cotton was "most comfortable," while just 69 percent in the global survey said that. Similarly, 86 percent from the U.S. said cotton was the "most sustainable," while only 65 percent of global respondents thought it was.

There was general agreement in both surveys that cotton is the most preferred fashion fiber, with 80 percent of Americans making that choice and 81 percent from the global survey. Also in the area of fiber choice, 66 percent of U.S. consumers said they were willing to pay more for natural fibers such as cotton than synthetics, and 52 percent of global respondents expressed the same sentiment.

The main reasons consumers from both surveys said they would pay more were comfort and quality. This included cotton preferences for jeans, underwear, T-shirts, sleepwear, dress shirts and pants.

The U.S. survey showed 79 percent of consumers look at the fiber content label before purchasing and 86 percent of global respondents made that same claim. The survey was conducted by Ipsos.

Source: sourcingjournal.com- Aug 30, 2018

HOME

****

China to host World Textile Merchandising Conference next month

World Textile Merchandising Conference will be held in China, September 20 to 21.

The conference will explore latest changes and trends in the textile industry and seek to build a cooperation system throughout the industrial chain, therefore promoting high-quality development.

The conference will have four forums. Opening-up for New Connection forum will witness the establishment of a textile industrial chain cooperation system under the Belt and Road Initiative.

The Science and Technology as New Driver forum will highlight the development trends and cutting-edge technologies in the textile industry to explore new growth drivers for innovation-driven development.

The Fashion as New Trend forum will focus on global and domestic trends, the fashion economy, new consumption trends and other dimensions to explore fashion trends.

The Green Growth as New Business forum will discuss policies, roadmaps and technological trends towards environmentally-friendly production to boost green growth.

The textile industry is facing changes. For this purpose, it is necessary to coordinate and promote the localization and globalization of the industry, increase openness and cooperation in building innovation capacity, advance cross-border flows of such resources as products, productivity, technology, capital, and talents, and fully integrate and utilize global resources to achieve coordinated development.

Source: fashionatingworld.com- Aug 30, 2018

HOME

****

US cotton most preferred by mills, manufacturers across the world: Study

Exporting three times more cotton than its closest competitor, the United States achieved a 40 per cent share of cotton fiber exports in its latest marketing year.

A study conducted on mills and manufacturers from across the world aimed to understand how the US industry maintains high share of exports found the quality of US cotton to be superior then cotton from other regions.

An assessment of US cotton industry and Cotton Council International's role in the industry was conducted by a third party research firm in 2017. The firm surveyed 228 mill and manufacturers to gain insight into their purchase decisions as well as perceptions toward US cotton and the Cotton USA brand.

These representatives spanned 18 countries including the six largest cotton purchasing regions in the world: Northeast Asia, Southeast Asia, South Asia, China, Latin America, and Central Europe.

Ranking the most important factors influencing cotton purchase decisions, respondents listed quality, price, overall product satisfaction, contamination and living up to their contracts as the top five factors. Respondents were then asked to rate their associations with cotton from various parts of the world.

Value for money

US cotton emerged on top because of positive factors in the decision to purchase cotton.

Nearly 90 per centUS cotton most preferred by mills manufacturers across the world Study 002 respondents perceived US cotton as being of high quality, consistent, and low contamination while 75 per cent believed US cotton provides good value despite higher price points. US cotton was consistently positively rated than cotton from other parts of the world across all significant purchase factors.

With over 50 per cent respondents preferring US cotton, it was overwhelmingly the most preferred cotton by both mills and manufacturers across the world.

Over one-third of the cotton purchased in the past year was reportedly from the US. This is nearly three times that of any other country. Respondents expressed great satisfaction about US cotton purchases with over 90 per cent planning to recommend US cotton to their customers.

Cotton USA's strong brand value

As far as brand awareness is concerned, CCI, since 1989, has been licensing products such as apparel and home textile with the Cotton USA trademark.

The trademark has so far, been used by over 51,000 product lines.

Given this long track record, 96 per cent mills and manufacture representatives are aware of the Cotton USA brand with 77 per cent believing the trademark adds value to their business.

Source: fashionatingworld.com- Aug 30, 2018

HOME

****

Vietnam's garment export up in 8 months

Vietnam gained over 19.4 billion U.S. dollars from exporting garments and textiles in the first eight months of this year, up 14.9 percent on-year, the Vietnam Textile and Apparel Association said on Thursday.

In the eight-month period, the value of Vietnamese garments and textiles, including T-shirts, jackets, dresses and fabrics exported to China, surged 43.1 percent, to ASEAN up 33.9 percent, to Japan 21.9 percent, to South Korea 17.7 percent, and to the United States 10.4 percent.

Vietnam, which is among the world's five biggest exporters and producers of garments and textiles, may make garment and textile export turnovers of 35 billion U.S. dollars this year, 1 billion dollars higher than the target set for the year, partly due to the signing of new free trade agreements, the association predicted, adding that its turnovers were 31.2 billion U.S. dollars last year.

However, Vietnam had to spend over 8.5 billion U.S. dollars importing cloth in the first eight months of this year, up 16.1 percent, the association said, noting that most of local cloth has yet to satisfy quality requirements of the country's key garment export markets.

Source: xinhuanet.com- Aug 30, 2018

HOME

****

H&M Wants To Reinvent The Entire Fashion Industry, But It Needs Your Help

It's no secret that much of fashion's problems regarding its impact on the environment stems from its reliance on the old way of doing things. Whether its excessive waste-filling landmines, poor working conditions in factories or burning unsold luxury merchandise, it seems that there's always a new report out there shedding a negative light to the inner workings of fashion's glossy exterior.

H&M is no stranger to bad publicity, especially in recent years, but the Swedish fast fashion giant has been making significant strides to become more socially conscious and eco-friendly with multiple initiatives and projects. One example of such is the Global Change Award, now in its fourth year, which is an annual competition with a cash prize of €1 million and coaching program courtesy of the H&M Foundation.

The award, as listed on its website, is aimed "to speed up the process of finding, supporting and scaling up disruptive innovations that can make the entire fashion industry circular." Applications opened this week, and is meant for anyone with ideas and "innovations that have the potential to shift the fashion industry from its linear approach to a circular one [...] This means changing the way garments are currently designed and produced, shipped, bought, used and recycled by adding disruptive technology, processes, or new business models."

Dubbed "The Nobel Prize of Fashion", the competition is that for this year it's looking for entries with "an extra eye on ideas within digitalization." Since its launch in 2015, 8,000 applications from 151 countries have been received.

Some notable past winners include U.S. based Agraloop, whose "Crop-a-Porter" plan makes sustainable bio-textiles by using left-overs from food crop harvests through a low-cost, closed-loop technology.

Another winner, Algalife, based in Israel, was given the prize due to their idea of using algae that can be turned into bio-fiber and environmentally-friendly dye (growing natural fibers like cotton requires a large amount of water, as does textile dyeing). They claim that using fabric made of algae actually provides benefits to the wearer as it would release antioxidants and other nutrients to the skin.

The competition is just one of many initiatives that's been launched as part of H&M's efforts to make sustainability a part of its mission. They implemented a company-wide recycling program across all of its stores worldwide by installing garment-collecting boxes where customers can drop off their unwanted clothes and receive a voucher afterwards.

They also continue to design a "conscious exclusive collection" that is made up of eco-friendly, recyclable materials and organic cotton, which has often been worn on red carpet by many Hollywood stars and celebrities. Although many still question how sustainable H&M truly is, their efforts to do so have not gone unnoticed.

Source: forbes.com- Aug 30, 2018

HOME

****

Warmer Kenya-US relations good for trade and investment

The meeting earlier this week between President Uhuru Kenyatta and his United States counterpart Donald Trump should, hopefully, cement strategic interests between the two countries.

It signals how much bilateral relations have warmed up since the infamous “choices have consequences” warning by a senior US government officer before the 2013 elections. For Kenya, enhancing trade and investment should be at the core of the newfound relations. It is the key to expanding opportunities for economic growth and creating jobs for the youth, whose rising discontent over sharing of economic opportunities is increasingly rattling the elite in power.

POLITICAL INTERESTS

The White House meeting should encourage the Kenyan and US business community to explore strategic alliances in areas with strong prospects for growth, including oil, manufacturing, finance and agribusiness.

Kenya needs a strategic shift to benefit from this relationship, through better trade deals, rapid foreign investment in key areas and improved tourism from USA and north America. In the past, it was unable to maximise on opportunities from bilateral relations because of poor preparedness.

In any case, US commercial opportunities were driven more by political interests, such as demands for governance and rule of law, than by the need to give Kenyans increased access to the US market for goods and services.

AGOA ACT

In the past decade, Kenya failed to maximize on the African Growth and Opportunity Act that former President Bill Clinton signed into law in May 2000 to give defined exports from African countries duty free access to the US market.

Statistics on US trade with Africa show that AGOA accounted for half of the $20 million annual US imports from Africa. The largest categories of imports are energy related products, transport equipment and textiles and apparel.

The greatest beneficiaries are Nigeria and Angola, which are major exporters of oil and South Africa, which dominates the transport equipment category and exports minerals.

VALUE CHAIN

Kenya features in textiles and apparel, which accounts for just 10 percent of the AGOA imports. Even though Kenya is dominant in this category, its performance has been less than optimal due to high cost of doing business. This constraints Kenya’s ability to compete in the US market with other major exporters of textiles and apparel to the US, including China, India, Pakistan and Bangladesh.

Export earnings from AGOA (which was extended to 2025 after expiry of the initial 15 years in 2015) can be increased by reducing the cost of doing business and improving the textile and apparel value chain and brand.

OIL MARKET

The government should also provide an enabling environment and incentives for the private sector to negotiate strategic partnerships with US firms in key areas such as textiles, agribusiness and food processing. Experienced US firms would help local industries improve the manufacturing value chain to become more competitive in the global market. The emphasis here should to increase exports of processed agricultural products that earn more foreign exchange than raw commodity exports.

Another emerging opportunity is in petroleum products. Now that Kenya has started producing oil, it should be angling for a share of the lucrative US oil industry in the long term.

LOGISTICS CENTRE

The US is a big investor in Kenya, in key areas including education, healthcare, infrastructure and devolution. It should have a strategic interest in supporting Kenya to become a leading logistics centre for Eastern Africa. China has invested in expanding and modernizing the port of Djibouti to serve Ethiopia and the northern Horn of Africa.

A similar investment in the ports of Mombasa and Lamu would open up the East African hinterland to the rest of the world and deepen the access of US firms to the East African Community market.

These strategic moves can quickly transform Kenya and turn it into a vibrant hub for regional trade and investment networks. They can strengthen the foundations of the Big four pillars of economic and social transformation.

SHARED GROWTH

How much Kenya leverages on the US goodwill depends on how the government demonstrates its resolve to improve the environment for business to attract more foreign direct investment.

A key aspect of this is aggressively fight transnational crime, including money laundering and counterfeiting. Sustaining the war on graft is critical to reducing the cost of doing business and improving prospects for better, shared growth.

Source: nation.co.ke- Aug 30, 2018

HOME

****

Afghanistan aims to double trade with India to $2 billion by 2020

Afghanistan is hopeful of doubling bilateral trade to $2 billion with India by 2020 and seeks private investments and co-operation in various fields, a senior government official said.

"Our bilateral trade with India is $1 billion at present and is expected to reach more than $2 billion by 2020. We seek private investment and cooperation from India in the field of agriculture, mining, heavy industries, education, healthcare, energy, IT and transportation," the Islamic Republic of Afghanistan's ambassador to India Shaida Mohammad Abdali told reporters here.

As part of economic development in war-ravaged country, The United States Agency for International Development (USAID), India and government of Afghanistan announced the second annual "Passage to Prosperity: India-Afghanistan International Trade and Investment Show" which will be held between September 12-15 in Mumbai.

More than 600 representatives from Afghanistan, India and international businesses are expected to attend the trade show. During the event, Afghanistan's textiles, carpets, gems, and jewelry will be on display for international buyers. Afghanistan vendors will also be able to sell their sample products directly to consumers.

'Passage to Prosperity' will help develop economic ties between Afghanistan and international markets, and further advance trade integration, Abdali said.

During the first 'Passage to Prosperity' event, in New Delhi last year, Indian buyers and Afghan vendors signed over $27 million in contracts for raw and processed agricultural products.

In addition, a number of Indian buyers and Afghan vendors signed MoU valued at nearly $214 million during the four-day event, and more than $10 million worth of carpets, gemstones, jewellery, marble, and food-related products were sold.

This year's event in Mumbai promises to build on the first show's successes and expand its impact by reaching beyond India, he said.

The ambassador pointed out that with USAID support, Afghanistan has been able to re-establish trade and export systems. Air cargo for Afghan exports is a speedy and cost-effective method in comparison to the road transport.

The direct flights between Afghanistan, New Delhi and Mumbai, will be also extended to other major cities of India.

At the press launch event, US Consul General Edgard Kagan said that the US is also committed to the economic development of Afghanistan as number of American companies are looking to invest in development there.

Ramona El Hamzaoui, USAID/India deputy director, explained, "By creating meaningful partnerships, economic ties will be strengthened and employment opportunities will increase.

The deals and connections that result from this trade show will have long-term impacts on both Afghanistan and India.

Source: moneycontrol.com- Aug 30, 2018

HOME

****

Pakistan: PRGMEA urges Govt to declare 'export emergency'

Attributing Pakistan's growing trade deficit to low exports, the Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) has urged Prime Minister Imran Khan to declare an 'export emergency' in the country to tackle the decline in the exports sector.

Pakistan's current account deficit rose by more than 40 per cent in fiscal 2018-19 to $18 billion.

Most prime ministers were seen only forming committees to address the problem, PRGMEA senior vice chairman Sheikh Luqman Amin lamented.

Value-added textile exporters want the government to formulate separate policies for various sub-sectors to resolve their sector-specific issues, Pakistani media reports quoted Amin as saying.

He hoped that the new government would initiate dialogue with the textile sector representatives to receive their inputs for policy formulation.

Outstanding refunds, high cost of business, issues of market access and exchange rate are hindering the country's exports growth, he added.

Source: fibre2fashion.com- Aug 31, 2018

HOME

****

NATIONAL NEWS

Recipe for big leap in India's growth story

The course of economic history is intriguing. In 1775, Asia accounted for 80% of global output, with China and India together representing two-thirds of global production. The centre of power gradually shifted to Europe between 1750 and 1850, and by 1950, Western Europe and the US accounted for more than half of global production, with India's share reduced to only 4.2%.

The picture is changing today. Developing Asia accounts for 29% of global GDP and 32.5% of global trade. India recently became the sixth-largest economy in the world and, according to the International Monetary Fund, India would be the fastest-growing large economy in the world during 2018-19. This growth in output stems largely from domestic demand, which is a significant departure from the export-led growth strategy followed by several Asian economies.

Export-led growth strategy is a double-edged sword that was successfully wielded by Germany and Japan in the 1950s and 1960s, 'East Asian Tigers' during 1980s and 1990s, and by China in 2000s. The macroeconomic structure of the Asian economies highlights the significant contribution of exports to economic output. Share of exports in GDP was high at 43.1% for South Korea, 19.8% for China, 173.3% for Singapore and 71.5% for Malaysia. In contrast, the corresponding share was only 18.9% of India's GDP in 2017.

Scope of export-led growth strategy in India

While India's growth has been largely driven by domestic demand, exports are expected to play a prominent role in scripting India's future growth story, especially in light of the revival in global demand.

Some of the crucial themes for the export strategy would be demand-based export diversification, alleviating structural deficiencies, easing supply-side constraints, and integrating the country in global value chains (GVCs).

There is a need to shift our focus from exporting what we can (or supply-based), to items that are globally-demanded.

Currently, major export products for India, accounting for nearly 75% of the total exports, have a share of only 33.5% in the global imports. India has limited presence in major trade sectors like machinery and electronics, which have strong trade-investment links and a significantly large share in global imports.

Enhancing our exports of machinery and electronics will require integration in GVCs of these products, which will necessitate measures aimed at trade facilitation, improvement in business environment, reduction in barriers to trade, and improvement in logistics.

Recognising the need for improvement in logistics, the government has already started a wide array of projects including the Bharatmala and Sagarmala initiatives, and establishing coastal economic zones, which are expected to bode well for exports.

The government is also working towards a national strategy for standardisation to tackle challenges pertaining to quality and compliance with standards. Identification and conformance to specific standards and regulations across different industries could enhance our participation in GVCs.

Apart from diversification towards high-value-added products, India also needs to penetrate new emerging markets. Growing protectionism in the West, larger financial flows towards developing and middle-income countries, and the rapidly expanding middle class in Africa, Latin America and Asia means that South-South trade relations would increasingly gain importance for Indian exports. Thus, going forward, strategies focused on increasing access to these markets will be important.

The Africa- Asia Growth Corridor shall form a critical element of a market diversification strategy. And access to new trade routes through projects—such as the Chabahar Port in Iran and the North-South Corridor of Iran's Bandar Abbas Port—will improve our access into the markets of Central Asia and Russia.

In addition, India needs to adopt non-price mechanisms for boosting export competitiveness, in the light of increasing demands to cut back on export subsidy schemes under the WTO Agreement on Subsidies and Countervailing Measures.

Existing allocation of funds towards subsidy need to be redirected to create capacity for value-added exports. Increasingly, non-price factors like quality, innovation, trade agreements and concessions in reciprocal exports will form the key tenets for building India's export competitiveness.

The government is already working on several of the aforementioned aspects of export promotion, armed with its arsenal of ambitious schemes and policies. All that is needed now is a swift and concerted effort to accelerate the implementation and create a conducive environment for projects to take off. It is time for India to embrace the export-growth strategy, outsmart the 'middle-income trap' and lead the world's biggest democracy to its very own 'Great Leap Forward'.

Source: financialexpress.com- Aug 31, 2018

HOME

****

India likely to overtake UK to become 5th largest economy by next year: FM

India is likely to surpass the UK to become the world's fifth largest economy next year on growing consumption and strong economic activity, Finance Minister Arun Jaitley said on Thursday.

He also exuded confidence that India would be among the top three global economies in the next 10-20 years.

"This year, in terms of size, we have overtaken France. Next year we are likely to overtake Britain. Therefore, we will be the fifth largest (economy)," he said while inaugurating the office building of the Competition Commission India (CCI).

India's gross domestic product (GDP) was valued at $ 2.597 trillion at the end of 2017 overtaking French economy, which was amounted at $ 2.582 trillion last year.

However, in terms of per capita GDP, India still lags far behind France, which is nearly 20 times bigger in comparison. This is because of the huge size of India's population, which is estimated to be around 1.34 billion as against 67 million of France.

The UK economy stood at $ 2.94 trillion at the end of 2017.

India recorded a growth of 6.7 per cent in FY'18 and expected to accelerate to 7.4 per cent in the current financial year on pick up in industrial activity and good monsoon.

Jaitley said the country has potential to overtake large economies which are growing at a much lower rate than India.

"We grow at 7-8 per cent on an average. So for us to overtake them...you are unquestionably going to be as the world projections are amongst big three in size (by 2030-40)," he said.

The growth would be driven by expanding economic activities, he said, adding that "over the next 10-20 years we still have lot of avenues for pushing our growth. For instance, growth is more in the North, the South and western part of the country... Eastern side has still to grow faster. That's an area we will see growth."

With growth in economy, Jaitley said, the function of CCI, the country's fair trade regulator, is going to expand and the institution should keep evolving itself with new challenges.

Over the next 10-20 years with economic activity expanding, your (CCI) role is going to expand and therefore both the bar and experts who man this institution will be required to be trained professionals rather than who are unable to fully diagnose the situation," he said.

India can already see the ripples of a consumption economy in India, he said, adding that the exponential growth taking place in several sectors will lead to a large number of domestic and international players.

He further said that the size of the economy is going to expand and some will not comply with fair market regulation, indulge in cartelisation, have vertical or horizontal tie-ups, abuse dominant position to impact prices or dilute competition.

"Therefore, the regulatory mechanism to regulate all the Mergers & Acquisitions would be required. These changes to be extremely large and the impact on markets is going to be very large," he said.

Source: business-standard.com- Aug 31, 2018

HOME

****

MMF imports continue to rise, textile units worried

The country's largest man-made fabric (MMF) industry continues to suffer from the dumping of imported MMF textiles from countries like Vietnam, China and Bangladesh.

During April-July this year, the import of MMF textile has increased by almost 26 per cent in value terms at $869 million compared to $711 million in the previous year.

According to the latest provisional data released by the Directorate General of Commercial Intelligence and Statistics (DGCI&S), the import of MMF yarn, fabrics and made-up together have gone up by 27 per cent and import of made-up staple fibres increased by 19 per cent during April-July, 2018.

The highest import growth was recorded in the remade garment (RMG) segment, which represented 47 per cent increase at $784 million during April-July, 2018 compared to $535 million in the same period in previous year.

The MMF sector has been demanding to increase the basic customs duty (BCD) on the import of MMF textiles in order to provide level-playing field to the indigenous manufacturers.

Talking to TOI, chairman of Synthetic and Rayon Export Promotion Council (SRTEPC) Narain Aggarwal said, "The substantial growth in imports of man-made staple fibres and MMF based textiles into India is not a good sign for the Indian MMF textile segment.

Government needs to act on this surge in imports with remedial and protectionist measures before it is too late."

Aggarwal has suggested that the government should immediately consider increasing the effective rates of BCDs on MMF, MMF yarns and all the left over tariff lines of MMF knitted fabrics falling under chapter 60.

The effective rates of BCD on man-made fibres and MMF yarns such as polyester, viscose and others need to be increased to 10% from the existing 5% and on nylon fibres and yarns the effective rates of BCD need to be increased to 15% from current 7.5%.

“With increased effective rates, the MMF textile segment will be safeguarded and it will also be in support of the government’s ‘Make in India’ initiative,” Aggarwal added.

Source: timesofindia.com- Aug 31, 2018

HOME

****

Why Amazon, Google Are Sizing Up Another Indian Retailer

After Walmart paid $16 billion for a majority stake in one of India’s largest e-commerce players, Google and Amazon are angling for a piece of the action in the country’s hot retail sector, too.

According to the Economic Times of India (ET), Google is in talks with Alibaba owned Paytm Mall to form a consortium that would vie for a 7 percent to 10 percent stake in Future Retail that owner Kishore Biyani, CEO of parent company Future Group, is reportedly seeking to sell.

Reports indicate that the planned consortium is designed to thwart attempts by Amazon to battle for the stake.

Future Retail operates Fashion at Big Bazaar and HyperCity, both of which sell apparel.

Across its more than 900 stores in 250+ cities, Future Retail controls more than 22 million square feet of retail floor space and serves more than half a billion shoppers annually.

Indian law allows for 100 percent direct investment by foreign actors in physical retail “cash-and-carry” businesses, but limits foreign investment in multi-brand retailers to just 51 percent, according to ET.

Experts including Boston Consulting Group predict that consumption in India could reach $4 trillion by 2025, making it an attractive destination and investment opportunity for growth-minded enterprises.

For its part, Amazon seems to be making international sales a marketplace priority as a means of establishing its dominance over competitors like eBay and Alibaba.

In 2017, Amazon sellers generated a quarter of their revenue from overseas, a jump of 50 percent from the prior-year period. According to a New York Times article, Amazon executives have said India could be the company's second largest market within a decade.

Nearly a year ago, Amazon purchased a 5 percent stake in Shopper's Stop, an Indian brick-and-mortar chain of department stores with 83 locations in 38 cities.

Google also has taken an international view of retail, coughing up a $500 million investment in China's JD.com and now looking to penetrate what is poised to be a lucrative and influential consumer base.

Source: sourcingjournal.com- Aug 30, 2018

HOME

****

TEA's 28th AGM mulls over challenges facing knitwear exports

The 28th AGM of Tirupur Exporters' Association (TEA) held recently expressed concerns over the challenges that the apparel industry has been facing both externally and domestically, which could be mitigated with the help of government support and efficiently running the units.

The total apparel exports from India was Rs107,679 crore in 2017-18, compared to Rs 116,508 crore in previous year 2016-17. The all India knitwear exports in 2017-18 declined to Rs 51,526 crore as against Rs 55,150 crore in 2016-17.

During this period, Tirupur knitwear exports also declined to Rs 24,000 crore while the share of Tirupur knitwear exports was more or less stable at 46.58 per cent.

The most alarming factor in the last financial year was the continuous decline of exports since October 2017, after three months GST transition period, till March 2018.

During this period, from October to March in 2017-18, knitwear exports declined 21 per cent to Rs 22, 317 crore from Rs 28,100 crore in the corresponding period in previous year 2016-17.

Source: fashionatingworld.com- Aug 30, 2018

HOME

****

Textile dept wants 150 acres land in Bhiwandi to build logistic hub

In a boost for the mega powerloom cluster in Bhiwandi, the textile department has initiated steps for the project. It has demanded 150 acres of land for it.

If the government's plan materialises, the crumbling and neglected infrastructure in Bhiwandi would be upgraded.

In a boost for the mega powerloom cluster in Bhiwandi, the textile department has initiated steps for the project. It has demanded 150 acres of land for it.

District information officer Aniruddha Ashtaputre said, "The textile department will need at least 150-acre land, with a good connectivity to the upcoming Mumbai Nagpur Samruddhi Corridor, Jawaharlal Nehru Port Trust and Delhi Mumbai Freight Corridor to boost business to be set up in the cluster."

The cluster, claimed the department, will ensure that the Bhiwandi looms do not have to depend on anyone for raw materials and to export finished goods.

Apart from proving employment to locals, the logistic hub will also bring about planned development in Bhiwandi with better roads, education and transport facilities.

The Comprehensive Powerloom Cluster Development Scheme was first proposed by the central government for Bhiwandi in November 2008. The detailed project report was approved in March 2009.

However, the project could not be implemented due to several constraints under the Comprehensive Powerloom Cluster Development Scheme. The idea was refloated last year when textile minister Smriti Irani inaugurated the PowerTex India Schemes in 43 cities through video-conferencing in Bhiwandi.

A meeting with the secretary of the state textile department, Atul Patane, district collector Rajesh Narvekar and other stakeholders was held recently to take the project ahead.

The cluster will have a common facility centre, powerloom processing unit, yarn market, workshop spaces and skill development centres.

Patane said the project should be implemented by making MIDC the special purpose vehicle. "The MIDC authorities will be responsible for coordinating between electricity board, pollution department, municipal corporation and revenue department among others.

A special cell to encourage export of textiles from Bhiwandi will be formed under the district collector," Ashtaputre added.

Former MLA Rashid Tahir Momin said the government should solve the electricity problems. "The loom industry is dependent on power, but the supply is irregular. Many looms are losing business as the issue is continuing for years."

Source: hindustantimes.com- Aug 31, 2018

HOME

****

Hosiery traders worried as yarn price skyrockets

Hosiery manufacturers in the city are perturbed over the ever increasing prices of yarn.

Yarn rates, which were around Rs255 till January, have reached Rs400 per kilogram. The dealers said the "cartel" in yarn industry needs to be taken care of by the government else manufacturers would continue to suffer unnecessarily, losing orders from both domestic and overseas markets.

While talking to The Tribune, Sanju Dhir, member Knit and Fab Industry, said many manufacturers in the city were losing orders because the prices of yarn had touched the roof. Within six months, the prices have almost doubled.

"The buyers are not ready to listen to our arguments. They ask us to provide the product on earlier reasonable prices, which is impossible. We do realise that it will be difficult for a buyer to bear the sudden increase in prices, but we are helpless. Many of us are losing orders as buyers are not ready to listen to our genuine reason that yarn rates have increased," Dhir said.

Many hosiery manufacturers protested against the "cartel" of yarn dealers and owners. Under the banner of For Arm Welfare Organisation, they burnt the effigy of yarn dealers/ owners of yarn manufacturers. Varun Malhotra from the organisation said dealers and mill (yarn) owners were hand in glove with each other and targeting hosiery manufacturers.

"The hosiery manufacturers will be forced to shut units, if the prices of yarn are not controlled. Hosiery manufacturers need to raise their voice against this monopoly of yarn dealers and manufacturers," said Malhotra.

The hosiery manufacturers are trying to meet Member of Parliament Ravneet Singh Bittu on this issue. President of Knit and Fab Industry Vipan Vinayak said orders were taken earlier and now, prices have been increased and it had become too difficult to execute the orders on previous rates.

"If we do not execute, we will lose customers and labour will be dispersed. It is too difficult to call labour again for the execution of orders once they leave and if we continue, we will bear losses as buyers have given orders on previous yarn rates. We are in a dilemma," said Vinayak.

Source: tribuneindia.com- Aug 31, 2018

HOME

****

Pest management: Punjab cotton farmers conquer whitefly

Anil Kumar never believed he would grow cotton again after his entire crop on 50 acres — 4.5 acres own and the rest taken on lease — was destroyed by a whitefly epidemic in 2015. The 42-year-old from Ghallu village in Punjab's Fazilka district and tehsil ended up with debts of over Rs 15 lakh. He cleared about two-thirds of it in the subsequent years, by investing in a second-hand tractor and working it "day and night" on other farmers' fields in Punjab and neighbouring Rajasthan.

"I couldn't imagine going back to narma (cotton) after seeing what the chitti makhi (whitefly) did to my crop. But I took a chance this year after my fellow farmers here told me how the pest can be managed through proper cultivation practices. I've probably taken the right decision," says Kumar, who also followed the agriculture department's advice on timely sowing (mid-April to mid-May), planting hybrids such as RCH-773 and RCH-776 having better sucking pest and leaf-curl virus tolerance, and keeping a check on his crop for any signs of infestation.

"Earlier, I never bothered, as there were so many hybrids in the market. But this time I sowed good-quality seeds and did not plant after May 15. Further, I cleared all the wild vegetation around my fields before sowing and ensured that the lands leased in by me were at some distance from kinnow (citrus) orchards, which are breeding grounds for chitti makhi. In early-July, I started seeing ande (eggs/nymphs) of the pest under the leaves of my plants and sprayed a dose of pyriproxyfen insecticide," Kumar tells The Indian Express.

He is confident of harvesting an average narma/kapas (raw un-ginned cotton) yield of 12-13 quintals per acre. "I have just completed the first picking of 64 man (25.6 quintals) from the crop on my own 4.5 acres sown in early-April. I got a rate of Rs 5,341 per quintal, but full-fledged pickings will happen only from mid-September. There are at least three pickings in roughly 20-day intervals," adds Kumar, who does not perceive whitefly as a threat now.

Whitefly basically sucks sap from the cotton plant's phloem or living tissue that transports food made in the leaves (through photosynthesis) to other parts. The small (1-2 mm) white insect is also a carrier for the leaf curl virus. The disease-affected plants are stunted, with less number of bolls and reduced yields.

According to scientists, the late-sown cotton is most susceptible to the pest. The crop planted after mid-May is tender during July-August, when the weather conditions — hot, humid and cloudy — are congenial for infestation. The early-sown plant is less prone to attack, as mature leaves are not preferred by the whitefly.

Planting in time is a lesson that Mandeep Singh, 24, has also learnt. This farmer from Raipur village in Mansa district's Jhunir tehsil had lost 100 per cent of his cotton crop on seven acres and 50 per cent on another seven during 2015 on account of whitefly. Like Anil Kumar, he did not sow cotton in 2016 and 2017, but after seeing farmers harvesting good yields and "managing" the pest, has taken the crop on three acres this year. Kuldeep Singh of Tungwali village in Bathinda district and tehsil, too, is growing narma on two out of his five-acre holding for the first time after 2015. That year, he had cultivated cotton on all five acres, which was completely destroyed by whitefly.

The same farmers, however, are happy with the quality of their crop now and hoping for good prices as well. In 2017-18, kapas rates ruled at Rs 4,000-4,200 per quintal early in the season and rose to Rs 5,000-5,100 towards March, but by which time most farmers had already sold. Average realisations were only around Rs 4,500 per quintal. For 2018-19, the Narendra Modi government has declared a minimum support price of 5,150 per quintal for medium staple and Rs 5,450 for long staple varieties, while these were Rs 4,020 and Rs 4,320 last year.

The whitefly epidemic of 2015 ravaged the cotton crop on an estimated 1.38 lakh hectares (lh) out of Punjab's total 4.36 lh area. That, and significant losses reported in the balance area, resulted in farmers cutting down plantings to 2.56 lh in 2016 and 3.82 lh in 2017. The not-so-good realisations in 2017-18 and greater yield-cum-price stability from paddy — plus assured government procurement — has meant that cotton acreage has been low even this year, at 2.83 lh. But the farmers who have planted may not regret their decision.

Key to the turnaround in fortunes has been the measures taken for controlling whitefly. Following the 2015 epidemic, a committee comprising agriculture department officials and scientists from Punjab, Haryana and Rajasthan — farmers there, too, had faced problems from the pest — was formed under the chairmanship of the Vice-Chancellor of Punjab Agricultural University (PAU), Ludhiana. Among other things, it shortlisted 38-44 Bt cotton hybrids — out of the 250-300 available in the market — that were relatively whitefly-resistant and suited for cultivation in the three states.

"We laid stress on timely sowing and clearing wild vegetation before planting. If farmers sow between April 15 and May 15, the plant would be 45-70 days old by end-June and will have 40-45 leaves. So, even if the pest attacks, the damage is less than when it is on plants that have lesser number of, and more tender, leaves.

And if it rains by then, the insects will get washed away, keeping the overall pest population below the ETL or economic threshold levels. That will reduce pesticide use as well, since farmers need to spray only if the number of insects per leaf exceeds six or so," explains Vijay Kumar, senior entomologist at PAU.

In 2015, more than 70 per cent of the cotton area in Punjab was sown late. The pest could, then, strike when the plant was very small and having 10-15 leaves. "In the last two years, PAU's regular advisories issued to farmers, including through formation of WhatsApp groups, have definitely helped," notes Harvinder Singh, agriculture development officer of Mansa district.

The other major intervention has come from the state agriculture department appointing "scouts", who conduct village-level surveillance for early detection of nymphs (baby whitefly insects) in plant leaves. "The scouts were trained at PAU.

From the 2016 season, they would visit 2-5 villages daily in the eight cotton-growing districts (Firozpur, Faridkot, Fazilka, Muktsar, Bathinda, Barnala, Mansa and Sangrur) to monitor breeding levels of the pest and report back to us. This year, we have 250 such scouts, who are all BSc agriculture students at PAU and are being given a monthly stipend of Rs 12,000 for the job, which is now part of their training," states Jasbir Singh Bains, director of agriculture, Punjab government.

The effects of these are seen on the ground. In 2015, Punjab's cotton (lint fibre) yield averaged a dismal 197 kg per hectare. In 2016 and 2017, it hit a record 756 kg and 750 kg, respectively. This year, the expected yield is an-time-high of 778 kg — though that would be confirmed only in the next couple of months.

Source: indianexpress.com- Aug 30, 2018

HOME

****