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INFORMATION BUREAU TEXPROCIL

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IBTEX No. 171 of 2019 August 31, 2019

US 71.74| EUR 78.99 | GBP 87.22| JPY 0.67

Cotton Market (Aug 30, 2019)		
Spot Price - Shankar 6 (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20526	42900	**76.18**
Domestic Futures Price (Ex. Warehouse Rajkot), August		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20950	43786	**77.75**
International Futures Price		
NY ICE USD Cents/lb (December 2019)	59.00	
ZCE Cotton: Yuan/MT (January 2020)	12,495	
ZCE Cotton: USD Cents/lb	79.25	
Cotlook A Index – Physical	**70.10**	

Cotton Guide: The market however remained consolidated along with the current prevailing secondary Trend. However, the primary trend is still sloping downwards.

The ICE contracts settled slightly higher across the board yesterday. The ICE December contract settled at 59.00 cents per pound with a change of +27 points. The reason attributed to this minor rise was attributed to some short covering by fund houses. Usually at the end of the month, fund houses liquidate their positions to put forth better figures in their books.

This therefore negated the effect brought in by the weaker US Export Sales Data and took the prices onto higher grounds.

The US Export Sales data was released last evening. As expected the data was somehow decent putting forth figures which did not indicate a clear direction of the market sentiments.

Upland-

Net Sales were recorded lower as compared to the previous week. Net sales amounted to 146,000 Running Bales for the year 2019/2020.

Country	Increases in Running Bales
Turkey	46,100
Vietnam	27,800
India	20,800
Mexico	16,100
Malaysia	15,200
Table 1: Net Sales of 146,000 Running bales for 2019/2020	

Reductions were reported for China (4,600 RB), the Philippines (2,600 RB), and Colombia (2,200 RB).

Country	Increases in Running Bales
Mexico	17,000
Peru	5,300
Table 2: Net Sales of 23,200 Running bales for 2020/2021	

Exports were at 171,000 running Bales

Country	Exports in Running Bales
Vietnam	39,700
Indonesia	19,100
Mexico	17,500
Turkey	16,900
India	15,600
Table 3: Exports were at 171,000 running Bales	

Pima-

Net sales of Pima totaling 4,900 RB were primarily for Pakistan (2,200 RB), Thailand (1,000 RB), India (700 RB), Bangladesh (600 RB), and Japan (300 RB). Exports of 6,200 RB were primarily to India (3,000 RB), El Salvador (1,000 RB), Turkey (500 RB), Thailand (400 RB), and Peru (400 RB).

The MCX cotton contracts settled negative for the last month MCX August. MCX August contract settled at 20,950 Rs per bale with a change of -90 Rs. Today is the last day of the MCX 2018/2019 contract year. The ZCE January contract on the other hand aligned with ICE and settled positive at 12,495 Yuan per tonne with a net change of +45 Yuan.

Fundamentally speaking, there is no distinctive news which is out at the moment. Trading at ICE was seen at 19,000 contracts which indicate that huge trade is still distant. We therefore presume a sideways trend for ICE. For MCX October we also see a sideways trend with a bias towards the negative end.

On the technical front, prices has given a break down from the bearish flag pattern accompanied with negative crossover of the EMA(5,9)=(58.66,58.77) suggest the base trend is bearish. Bullish hammer candlestick pattern may restrict the downside, but closed above the bear flag support line suggests prices have entered into the trading zone of 58-60.

Relative strength index (RSI) having a positive divergence with prices may also limit the downside. Trading in the range of 58-60 is recommended for the day. Closing above 60.20 will be the first sign of upside reversal. In the domestic market MCX October future is expected to trade in the range of 19400-19700 with a sideways trend.

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

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INTERNATIONAL NEWS

92% of apparel imports from China will be hit with tariffs on Sunday—here's how companies are coping

The ugly Christmas sweaters you're eyeing might still see a tariff price hike before the holiday season, according to an industry group.

In an attempt to save Christmas, President Donald Trump announced earlier this month that tariffs on some Chinese goods will be delayed until Dec. 15. Retail and department store stocks including American Eagle, Abercrombie and Macy's all jumped following the news, as investors expected the announcement to mean that the companies' products wouldn't be taxed until later in the year.

But 91.6% of Chinese apparel imports will still be hit with a 15% tariff beginning Sept. 1, according to new data breakdowns from the American Apparel and Footwear Association.

The group also said 68.4% of home textiles and 52.5% of footwear will also begin to see tariffs on Sept. 1. The remaining imports in these categories will be levied 15% on Dec. 15.

"It has been, and will be, extremely difficult to move this amount of product due to capacity limitations in other countries, the need to build new relationships to ensure compliance with various product safety and labor regulations, and the fact that every industry is being asked to move at the same time," AAFA executive vice president Stephen Lamar said in an email.

Many retailers, including Best Buy, Macy's and Home Depot, have said they are implementing strategies to reduce the impact of tariffs. The most popular is to move factories, suppliers or vendors out of China.
Craig Johnson, founder of retail research firm Customer Growth Partners, said most companies have used a number of tools to lessen the number of products that will be affected by the Sept. 1 tariffs.

For example, T-shirts that are less than 70% silk will be hit with tariffs on Sept. 1. Knowing this, companies can ask factories to start making their T-shirts completely out of silk, Johnson said.

Companies have also been timing shipments to arrive earlier to evade the Sept. 1 deadline, according to Johnson. “Normally, holiday goods don’t come until September or October,” he said. “But companies started planning for that a year ago. People have been ordering early and have some product landed in August now.”

KPMG partner Andy Siciliano said apparel and footwear companies are especially accustomed to dealing with tariffs because the industry has been levied even before Trump was elected.

One strategy they can use, he said, is if a product costs more as it goes through the manufacturing process — $10 to be manufactured in China and $20 in Hong Kong — the company can make sure the 15% tariff is applied to the first cost by confirming with the vendor that it will be eventually sold in the U.S.

But Lamar said even with the mitigation strategies, companies will still be facing higher costs.

“A sudden 15% tariff on [$9 out of every $10] worth of apparel from China will also trigger cost increases from other major suppliers, either by forcing costs up as companies shift to [other] countries and run into capacity constraints or by giving suppliers in those other countries a pricing advantage,” he said.

Source: cnbc.com- Aug 30, 2019

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Egypt has regulates cotton trading

The decree limits cotton trading to specified collection points. Farmers are allowed to get the highest possible price through auctions, and the prices will be set according to international cotton prices and the comparative advantage of Egyptian cotton.

The decree also links all the collection points electronically to ensure transparency, with a consideration for applying the new system through new collection points in some governorates as a pilot version to avoid any problems in the future.

Cotton production system will be improved and its uses diversified in the domestic industry. The new system is expected to restore the position of Egyptian cotton globally and maintain confidence in it. Egypt is keen on developing and supporting the textile sector as well as planting and selling Egyptian cotton.

The country plans to restore the status of Egyptian cotton globally. Funds have been allocated to maximise the added value of Egyptian cotton as part of a plan to improve this sector. Between September and November 2018, Egyptian cotton exports increased 45.1 per cent compared to the same period of 2017.

Egyptian cotton is recognized as the most recognized luxury cotton brand in the USA and globally. People who are able to name a cotton brand cite Egyptian cotton.

Source: fashionatingworld.com- Aug 30, 2019

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Indonesia's Textile Sector Needs Special Attention Amid US-China Trade War Industry Group Says

Indonesia's textile industry entered the year with high optimism, which was subsequently followed by steady growth throughout the year. But due to the ongoing trade war between the United States and China, Indonesia's textile industry is due to see some bumps in its trajectory.

Previously, the sector saw an 8.7 percent expansion in 2018, according to data from the Central Statistics Agency (BPS), and is one of the country's five industry mainstays on the Making Indonesia 4.0 Roadmap, set to create more jobs and become a big contributor to the country's exports.

Amid concerns over the industry's future, chairman of the Indonesian Textile Association, Ade Sudrajat suggested that the government formulate a strategy to overcome the impact of the trade war and said bumps might have on the economy.

"The US-China trade war will have a negative impact on developing countries no matter what. We [the industry] should survive, but in order to do so, the government must implement clear policies," Ade said.

Ade noted three points that the industry and the government must focus on in order to keep the industry going strong.

"First, we must keep our domestic market on high alert for potential fallout from the trade war. We must ensure regulations do not hamper or create difficulties for industry stakeholders," Ade said.

"Second, we must expand outside our traditional markets, to regions like the Middle East, Africa and South America," he added.

Ade said South America had great potential and added that Indonesia already has an ongoing trade deal with Chile.

"Thirdly, businesses must use their market access as far as possible; don't be inactive, be aggressive," he said.

According to the API chairman, the textile industry has been doing fine so far. Indonesia's textile exports have increased for three consecutive years, to

$13.3 million in 2018 from $12.8 million in 2017 and $12.3 million in 2015. Ade believes this may rise to $15 million this year.

Viscose staple fibers (VSF) or artificial cotton fibers are natural and biodegradable. These fibers are obtained from wood pulp and cotton pulp, which share the characteristics of cotton fibers. These are versatile and easily bendable fibers and have a wide range of application in apparels, home textiles, home furnishings, dress materials, and woven & knitwear.

According to Fiber Organon, world demand for viscose is expected to increase by 7 percent to 8 million ton in 2020, four times bigger than 2001. Fibre2fashion predicts in 2023 viscose staple fiber consumption will increase significantly in Asia Pacific region with China recording the biggest potential growth by 6.1 percent, followed by India by 7.2 percent and Indonesia by 5.7 percent compared to this year.

"Our strongest exports are garments. But the biggest obstacle to that is the need to import raw materials. But now we are looking into [locally produced] rayon fibers," he said.

Asia Pacific Rayon (APR) leads the cellulose fiber industry in Indonesia. APR answers the global call for sustainability among the world's industries, including textile. As the fashion industry's demand for more environmentally friendly materials keeps increasing, APR has also made sure that all its rayon comes from renewable and biodegradable materials,

APR has invested in the construction of a viscose rayon factory with an annual production capacity of 240,000 tons. The company has been exporting its products to 14 countries since the start of operations early this year. The countries are Turkey, Pakistan, Bangladesh, Vietnam, Mauritius, Sri Lanka, Nepal, Brazil, Germany, Portugal, Italy, the United Arab Emirates and India.

Indonesia is currently one of the largest producers of rayon in the world. By keeping its rayon production domestic, APR hopes not only to help the local fashion industry grow, but also to reduce its reliance on imported raw materials.

"Businesses must learn about trade missions [to other countries]. APR could go to Chile, for example, and introduce its rayon there," Ade said.

With falling prices of Chinese products, the company may face tighter competition. However, Ade said APR could offer semi-finished materials to China.

"There is no problem with China. By doing this, APR could increase its exports and production capacity," Ade said.

Source: jakartaglobe.id- Aug 29, 2019

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20th Textech Bangladesh Expo to start in Dhaka on Sept 4

An exhibition showcasing the developments in the country's textile and garment industry will begin in Dhaka on September 4. The four-day exhibition, titled '20th Textech Bangladesh International Expo 2019' will be organised by Conference & Exhibition Management Services Ltd (CEMS-Global) along with two concurrent exhibitions on yarn and fabric and dye and chemicals.

The '16th Dhaka International Yarn & Fabric Show 2019-Summer Edition' and the '38th Dye+Chem Bangladesh 2019 International Expo' will run parallel, Meherun N Islam, president and managing director of CEMS Global USA and Asia Pacific, announced recently.

Source: fibre2fashion.com- Aug 30, 2019

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Indonesia-Mozambique PTA to see lowered tariff posts

Indonesian trade minister Enggartiasto Lukita and the Mozambique industry and commerce minister Ragendra Berta de Sousa recently signed the Indonesia-Mozambique Preferential Trade Agreement (IM-PTA) at the 55th International Trade Fair FACIM 2019 in the latter's capital city Maputo. The PTA is the result of year-long negotiations between both sides.

The PTA was announced last month in Bali at the Indonesia-Africa Infrastructure Dialog (IAID). This counts as one of Indonesia's quickest bilateral deal negotiation similar to another deal known as the Indonesia-

Chile CEPA, which was accomplished within a year, according to global newswires.

The PTA will see Indonesia lowering 242 tariff posts while Mozambique will also do the same by lowering 217 of its tariff posts in trade on various commodities like fisheries, fruits, palm oil, margarine, rubber, soap, paper products and textile products.

Source: fibre2fashion.com - Aug 30, 2019

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Pakistan: Subdued business witnessed on cotton market

Subdued business was witnessed due to lack of buying interest on the cotton market on Friday in the process of trading activity, dealers said. The official spot rate was unchanged at Rs 8000, they added.

In ready session, about 5000 bales of cotton changed hands between Rs 7775 and Rs 8500, they said. Rates of seed cotton per 40kg in Sindh were at Rs 3400-3700, in Punjab prices were at Rs 3200-3800, they said. In Balochistan, seed cotton prices were at Rs 3600-3700, they said.

In Sindh, Binola prices per maund were at Rs 1400-1550 and in Punjab rates were at Rs 1550-1650, they said and adding that polyester fibre per kg rates were at Rs 187. Some brokers said that some leading mills indulged in fresh buying of fine quality.

Besides, cotton analyst, Naseem Usman said that the Pakistan Cotton Ginners Association (PCGA) Chairman Mian Mehmood Ahmed met FBR chairman Shabbar Zaidi, Razzaq Dawood, advisor to prime minister for textile and Industries and Jahangir Tareen advisor of Prime Minister and discussed core issues with them. Mian Mehmood requested them to keep one percent withholding tax on cotton.

Adds Reuters: ICE cotton futures edged up on Thursday, gaining for a third straight session, as positive sentiment around U.S.-China trade talks supported prices even as federal data showed export sales declined again last week.

Cotton contracts for December settled up 0.27 cent, or 0.46 %, at 59 cents per lb as of 3:10 p.m. EDT (1911 GMT). It traded within a range of 57.94 and 59.29 cents a lb.

Total futures market volume fell by 1,369 to 16,810 lots. Data showed total open interest gained 1,887 to 221,262 contracts in the previous session.

The following deals were reported: 600 bales of cotton from Shahdadpur at Rs 7800/7900, 1000 bales from Tando Adam at Rs 7800/8000, 200 bales from Maqsoodo Rind at Rs 7775, 700 bales from Khanewal at Rs 8475/8500, 200 bales from Fazilpur at Rs 8400, 1200 bales from Vehari at Rs 8250/8325, 400 bales from Chichawatni at Rs 8250, 200 bales from Burewala at Rs 8250, 200 bales from Hasilpur at Rs 8200 and 200 bales from Bahawal Nagar at Rs 8200, they said.

Source: fp.brecorder.com - Aug 31, 2019

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NATIONAL NEWS

Declining Exports of Cotton Textiles – A Matter of Deep Concern

Exports of cotton textiles continued their downward spiral declining by 24.5% during April-July 2019. The provisional data for the first three weeks of August 2019 also shows that the 25% decline in exports is continuing month on month basis.

Expressing deep concern at this declining trend in cotton textile exports, Dr.K.V.Srinivasan, Chairman, Texprocil in a statement said that a commodity wise analysis of the data shows that while garment and made-up exports have shown a positive growth, exports of cotton yarn/fabrics are showing a declining trend.

A sharp and precipitous decline especially of cotton yarn during the last four months by about 35% has led to a crisis situation in the spinning industry. In fact, the monthly exports of cotton yarn are at a 5 year low of 59-60 million kgs. Exports to major markets like China have declined by 50% and Bangladesh by 38% and Korea by 45%.

Dr. K.V.Srinivasan stated that made-ups and garments exports are recording positive growth mainly on account of the extension of the ROSCTL which rebates all types of State and Central taxes. This measure has not only ensured that taxes are not exported by the garment and made-up sector but also enabled them to regain competitiveness.

In view of this, he has appealed to the Government to also cover the exports of cotton yarn and fabrics in the ROSCTL schemes and refund the State and Central taxes. These taxes are in the range of 6-7% of the value and will go a long way in mitigating the serious situation in the spinning and weaving sector.

He further added that many of the competing countries are gaining access in various export markets like China, South Korea, Turkey mainly on account of the preferential access given to them by the importing countries leading to further erosion of India's market share.

Dr. Srinivasan pointed out that while Vietnam has increased its exports of cotton yarn to China by 17% during the last four months, India's exports have declined by 16% during the same period.

In view of the sharp decline in exports, Dr. Srinivasan stated that the sector is in a very critical situation as many production units are shutting down and needed urgent policy support. He also requested the Government to extend the 3% Interest Equalisation to cotton yarn.

These measures will help the cotton yarn sector and the spinning industry at large to minimise their losses and regain their competitiveness.

Source: Texprocil Textile Intelligence - Aug 31, 2019

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Manufacturing growth dips to 0.6% over slackening demand, global headwinds

A persisting liquidity crisis in the MSME added to the manufacturing sector's woes

Manufacturing growth slumped to a dismal rate of only 0.6 per cent in the first quarter (Q1) of the current fiscal year (2019-20 or FY20) from 3.1 per cent in the fourth quarter of 2018-19 (FY19).

In Q1FY19, manufacturing growth was 12.1 per cent. For the whole of FY19, the sector had clocked growth of 6.9 per cent, up from 5.9 per cent in the previous fiscal year.

The share of manufacturing in gross domestic product (GDP) came down to 15.3 per cent in Q1FY20 against 16.2 per cent in Q1FY19. The government's flagship programme, Make in India, aims to increase this share to 25 per cent by 2022.

Low consumer demand has negatively affected production in the automobile and allied sectors, as well as consumer goods, said economists. "While the base effect has pushed it down, the slowdown in the auto and durable goods segments is quite palpable and is getting reflected slowly in other sectors, too.

The industries that have done well such as cement and steel find a reflection in construction activity, which has witnessed an increase of 5.7 per cent," said Madan Sabnavis, chief economist at CARE Ratings.

Policymakers at the Department for Promotion of Industry and Internal Trade have, however, cited various factors for the slowdown such a slackening domestic demand, global uncertainty weakening demand for exports, and prevailing low levels of investment.

Economists said slack performance of the manufacturing sector was expected after manufacturing output in the Index of Industrial Production (IIP) had seen a slowdown. In June, it rose only 1.2 per cent, down from 4.5 per cent in May. The manufacturing sector constituted the bulk of IIP, at 77.6 per cent. Policymakers fear the sector is headed towards deep negative growth.

As of June, 15 of the 23 subsectors in the manufacturing segment of the IIP recorded a year-on-year contraction. Slowdown in the automobile sector intensified, with production falling 13 per cent in June; in May it had dipped 6 per cent. Apparels, wood products and basic metals continued to see healthy growth in June; paper, furniture, and fabricated metal products were the biggest losers.

Production of electronic goods continued to see good growth, rising 10 per cent. This came after the government pushed manufacturing in the sector on a sustained basis over the past year through a series of benefits and the phased manufacturing program aimed at reducing imports.

A persisting liquidity crisis in the micro, small and medium enterprises (MSME) added to the manufacturing sector's woes. The MSME sector accounts for 30 per cent of the country's GDP, anchoring 45 per cent of total industrial production. It also made up 48.1 per cent of total exports in 2018-19.

Source: business-standard.com - Aug 30, 2019

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Government Looking At Mandatory Use Of Technical Textiles In Over 90 Areas, 40 New HSN Codes In Technical Textiles Soon

Mr Ravi Capoor, Secretary, Ministry of Textiles said that government is in the process of finalizing 40 new Harmonized System of Nomenclature (HSN) codes for technical textiles sector in coming months.

Speaking at the 'TECHNOTEX 2019 - Technical Textiles: Technologies, Markets and Investments', Mr Capoor said that the government has already established HSN codes for 207 items, yet a large number of items are still not under any specific category of codes. "Another list of 40 such HS codes have been under consideration and in next few months we will have dedicated codes for 40 such items," he said.

Mr Capoor stressed on the mandatory use of technical textiles in over 90 areas, which the government is currently discussing. He further highlighted that 'technical textiles' is the sunrise industry of the country and we have to create an ecosystem for time-bound research in the institutions for technical textiles segment.

Highlighting the potential of this sector in India, Mr Capoor said that globally the technical textiles market is around US$ 200-250 billion with a very high CAGR and India is still not in the forefront in terms of annual growth rate of the sector. He emphasized on the need to have private sector participation in government's research system with a time-bound output strategy.

Dr V K Saraswat, Member, NITI Aayog highlighted the factors contributing to the growth of this sector which includes rising consumer awareness, usage and improvement in the overall process innovation.

Dr Saraswat also highlighted the need for establishing a coordinated approach between various stakeholders and the government to boost the sector. "We need to have an umbrella organization for better coordination between the industry, R&D centers and government," he said.

Source: business-standard.com - Aug 30, 2019

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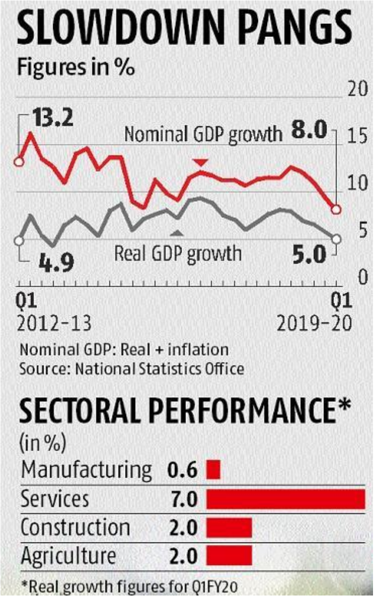
At 5%, Indian economy grows slowest in over six years

Nominal growth at sub-8%, lowest in 17 years

Gross domestic product (GDP) in India grew at 5 per cent in April-June 2019, the slowest since 2013, on account of subdued economic activity in sectors, from services and manufacturing, to agriculture and construction.



But more importantly, the economy grew at 8 per cent in nominal terms — courtesy low levels of inflation — the slowest since the third quarter of 2002-03, taking into consideration the previous two series of national accounts.

Nominal GDP growth is a proxy for growth in incomes, and the current slowdown signals a sharp fall in the latter. Further, the Union Budget has assumed an 11 per cent nominal growth rate, and a tax revenue growth rate of more than 15 per cent. The fiscal balance of the Union and state governments could see trouble because poor nominal growth adversely affects tax collection.

Various high-frequency indicators such as sales of passenger and commercial vehicles; production of capital goods, consumer durables, steel and cement; use of air travel, among others, had shown contraction, or poor growth, in the April-June period. The official growth estimate falls in line with this trend.

Chief Economic Advisor Krishnamurthy Subramanian, however, attributed the slowdown chiefly to a global economic downturn.

"Impact comes, especially, from global headwinds due to deceleration in developed economies, Sino-American trade conflict etc. Similar phenomena were observed previously during Q4 2012-13 and Q4 2013-14, when growth was around 5 per cent," he said in a series of tweets.

Bibek Debroy, chairman of the Prime Minister's Economic Advisory Council, said he expected the economy to grow faster in coming quarters, which should not be “lightly dismissed” when many countries in the world were “struggling to find positive growth”.

China grew at 6.2 per cent in the June quarter, according to its official data.

Private spending grew at 3.1 per cent, one of the slowest rates since the new national accounts series began in 2012. Investments (gross fixed capital formation) grew at 4 per cent, reflecting poor sentiment among investors and big companies. Government expenditure grew at a faster rate than the economy.

Experts raised concern over the grim picture of the economy. “There are both structural and cyclical issues are plaguing the Indian economy. As construction/real estate are biggest employers after agriculture, reviving real estate is crucial for an uptick in investment and consumption,” said Devendra Pant, chief economist at India Ratings.

Manufacturing stagnated, growing just 0.6 per cent over the same quarter of the previous year. The sector has seen protracted slow growth since FY18. The services sector grew at just below 7 per cent in real terms. Only thrice in the last seven years have services grown slower than this.

Agriculture and construction grew at 2 per cent in Q1 FY20. These sectors traditionally provide millions of jobs to farm and industry labourers in the unorganised sector.

A slowdown in the June quarter appeared more pronounced due to an unfavourable base effect, too, because the economy had grown at 8 per cent in the first quarter of FY19.

Source: business-standard.com - Aug 30, 2019

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Alibaba organizes SME-focused workshops across 4 Indian cities

E-commerce major Alibaba.com hosted over 400 SME's across a series of workshops held across Delhi, Surat, Ahmedabad, and Jaipur to create an understanding of the value proposition of Alibaba.com, talk about the power of e-commerce to local SMEs and thereby enabling them to participate in global markets.

Merchants attending these workshops represented a diverse range of categories including timepieces, jewelry, and eyewear, apparel, textiles, leather products and more, the company said in a statement.

With over 10 million active buyers from across 200 countries, Alibaba.com provides global access to merchants from across markets and helps them unleash the power of e-commerce for the growth of their businesses.

"The workshops are on-going engagements from Alibaba.com after the merchants enroll on the platform to guide and upskill them to leveraging the platform to the fullest. The workshops also updated the merchants regarding 'Super September', an annual wholesale focused global shopping bonanza created for small and medium-sized buyers featuring a wide range of products from suppliers across sectors," said the Chinese e-commerce giant in a statement.

According to the Ministry of Micro, Small and Medium Enterprises Annual Report, the industry has been contributing significantly to the expansion of entrepreneurial endeavors through business innovations. The MSMEs are widening their domain across sectors of the economy, producing a diverse range of products and services to meet demands of domestic as well as global markets.

"Alibaba.com, in line with the group's vision to make it easy to do business anywhere, has been working in India to enable and empower local SME's and MSME's to participate in global markets. Having one of the largest global buyer bases on the platform, we have seen a growing demand for a variety of products from India and with quality manufacturing across many categories, we want merchants to build in India and sell to the world," said Denny Wang, Regional Director, Global B2B Business South Asia, Alibaba.com.

Source: economictimes.com - Aug 30, 2019

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India merges public sector banks; 27 reduced to 12

Indian finance minister Nirmala Sitharaman announced on August 30 the merger of several public sector banks (PSBs) to revive the sector and achieve the target of a $5-trillion economy. The decision, aimed at making PSBs global in size, brings down the number of PSBs to 12 from 27 in 2017. In April 2017, the State Bank of India (SBI) merged with five associate banks.

Anchor bank	Amalgamating bank(s)	Business size*	PSB rank by size	CBS
Punjab National Bank	Oriental Bank of Commerce United Bank of India	₹ 17.94 lakh cr.	2nd largest	Finacle
Canara Bank	Syndicate Bank	₹ 15.20 lakh cr.	4th largest	iFlex
Union Bank of India	Andhra Bank Corporation Bank	₹ 14.59 lakh cr.	5th largest	Finacle
Indian Bank	Allahabad Bank	₹ 8.08 lakh cr.	7th largest	BaNCS
SBI	Amalgamated earlier	₹ 52.05 lakh cr.		
Bank of Baroda	Amalgamated earlier	₹ 16.13 lakh cr.		

Bank	Business size*
Bank of India	₹ 9.03 lakh cr.
Central Bank of India	₹ 4.68 lakh cr.

Bank	Business size*
Indian Overseas Bank	₹ 3.75 lakh cr.
UCO Bank	₹ 3.17 lakh cr.
Bank of Maharashtra	₹ 2.34 lakh cr.
Punjab and Sind Bank	₹ 1.71 lakh cr.

* March 2019 financials

The Punjab National Bank, the Oriental Bank of Commerce and the United Bank of India have been merged to form the second-largest PSB in the country after the State Bank of India (SBI). With a business of ₹17.95 lakh crore, the merged PSB will have a network of 11,437 branches.

Sitharaman announced the consolidation of Canara Bank with Syndicate Bank to form the fourth-largest PSB with a business of ₹15.20 lakh crore. The merger of Union Bank with Andhra Bank and Corporation Bank will form the fifth-largest PSB with 9,609 branches, she told reporters.

The Indian Bank will be merged with the Allahabad bank with a business of ₹8.08 lakh crore, 1.9 times of Indian Bank and covering south, north and eastern sectors.

The development comes a week after the minister announced measures to revive economic growth.

The Bank of India and Central Bank of India will continue as central banks with a national presence. The Indian Overseas Bank will continue its operations in the south, the Uco Bank will operate in east India and the Punjab and Sindh bank will continue with 1.71 lakh crore business in the north.

To further empower the PSB boards, the minister announced that the board committee of PSBs can appraise the performance of position of general manager and above. PSBs can also recruit a chief risk officer from the market, and the banks will be given freedom to hire the officer at market rates to ensure quality personnel. These boards can also decide a system of individual development plans for all senior executive positions.

To strengthen the board committee system, Sitharaman said flexibility will be offered to boards of large PSBs to enhance sitting fees of non-official directors (NODs). These boards will also be given the mandate to reduce or rationalise board committees.

NODs now will perform a role analogous to independent directors, thereby enhancing their position. Boards will also be given a mandate for the training of directors, and the NOD's performance will be reviewed annually on a peer review basis. To boost leadership, the strength of executive directors has been raised to four in larger banks.

The government will announce measures to help credit growth and set up specialised agencies to monitor every loan above ₹250 crore to ensure that a strong early warning system is in place, Sitharaman added.

Source: fibre2fashion.com- Aug 30, 2019

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More than the slowdown, news of slowdown has hit Rajasthan's textile business

More than the slowdown, there is another problem which has created trouble for the Rajasthan's textile sector MSMEs and retailers. The entrepreneurs from the region have said news especially the hyped ones are keeping the customers away from the shops. The reports cannot be denied that there is a slowdown in the textile industry in terms of a decrease in demand from the customers. The state government has assured the textile associations to resolve their key issues.

The entrepreneurs from textile sector including MSMEs, mill owners, retailers, wholesellers, industry associations met Rajasthan Government officials last week. They apprised the state government about their problems and the measures they need to deal with the slowdown. Talking to the KNN India, Navin Adwani, Vice President of Garment Exporters Association of Rajasthan said, “Government may come with some new policies and agenda to address the issue. After the meeting held we hope for some steps to be taken by the government to stabilize the textile sector”.

In a series of economic slowdown in the country, the textile industry in Rajasthan got hit which has worried the people associated with it.

A senior official of Independent Media of Rajasthan said, “It is true that the textile sector in the state is undergoing crisis but also due to hype in media the issue is floating all over the country. Textile industries of Rajasthan are facing tough competition from China and Surat. In Rajasthan, mills are not getting electricity and water on subsidied rates which are essential to run textile mills and factories. Moreover, sky touching rates of electricity contributes as a vital reason behind the crunch."

Moreover, “In Rajasthan, electricity charge is Rs 9 per unit whereas it is 4.5 Rs per unit in Gujarat. A gap of double is breaking the spine of the sustainability of textile mills in the state. Also, to address the problem of high pollution, the government has not any measure. Due to this, mills have started shifting to countries like Sri Lanka and Bangladesh."

Source: knnindia.co.in- Aug 30, 2019

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