IBTEX No. 144 of 2017 July 13, 2017

USD 64.42 | EUR 73.73 | GBP 83.09 | JPY 0.57

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
20198	42250	**83.20**

Domestic Futures Price (Ex. Gin), July

Rs./Bale	Rs./Candy	USD Cent/lb
20360	42588	**83.87**

International Futures Price

NY ICE USD Cents/lb (Dec 2017)	68.97
ZCE Cotton: Yuan/MT (Sept 2017)	15,625
ZCE Cotton: USD Cents/lb	**83.06**
Cotlook A Index – Physical	**83**

Cotton & currency guide:

World Agricultural Supply and Demand Estimates: July: No major cues, US productions stood at 19 Mio Bales, World carry in increase. Market action: Perpetual --- The July USDA Report showed, US 2017-18 cotton projection declined by 200K bales from the last month to peg at 19 million bales.

The decrease in the crop projection is attributed mainly to lower planted area as indicated in the June 30 Acreage report, combined with slightly less favorable assumptions about abandonment based on current conditions. There is no change in domestic use or exports, ending stocks are also revised down 200,000 bales.

Currency Update:

Indian rupee appreciated by 0.2% to trade near 64.4 levels against the US dollar.

Rupee has benefitted from inflation data which would give room to RBI to consider cutting interest rate. Data on Wednesday showed consumer price index (CPI) at 1.5% in the year to June, down from an annual 2.2% a month ago and below forecasts for a 1.6% reading.

Also supporting the currency is gains in global equity market. The US dollar has also weakened post Yellen's comments on inflation. However, weighing on rupee is disappointing industrial production data and lower bond yields.

Indian industrial production rose 1.7% in the 12 months to May as against forecast of 2% growth. Rupee may trade in a range of 64.3-64.55 and some gains are likely.

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

NEWS CLIPPINGS

	INTERNATIONAL NEWS
No	**Topics**
1	Pakistan- 'Big-wheel sectors trading on the policies of partiality'
2	Vietnam's garment, textile exports up 11 pct in 6 months
3	EU home textiles & clothing imports surge in 2016
4	Chinese apparel exports reducing as they shift to tech-intensive products
5	Africa: Import of second hand clothes continue to clog textile industry
6	Techtextil North America shows continued growth
7	Azerbaijan establishing association of textile producers and exporters
8	UN director says boosting intra-African trade crucial
9	Chinese trade with North Korea jumped 10.5% in the first half of this year, according to China Customs data
10	Brazil to promote cotton growth in East Africa
11	USDA Report Update
12	July, August may be busiest months for imports in US
13	Vietnam: Australia, a market for Vietnam's garments, handbags
	NATIONAL NEWS
1	TN powerlooms seek GST exemption for weaving industry
2	Khadi Board launches clothes for 'Shravan Kanvarias'
3	AMI to host 12th apparel trade fair in Chennai
4	Cotton prices likely to rise
5	ASG advises Centre to clarify law over cotton seed prices
6	Wage code: Hike pay, kill wages; why raising salaries is a bad idea

INTERNATIONAL NEWS

Pakistan- 'Big-wheel sectors trading on the policies of partiality'

LAHORE: The bureaucracy remains confused over how to formulate policies in consultation with the businesses or business associations as in most of the cases the new measures, regulations, directives fail to please all the stakeholders.

They say the associations and business sectors recommend policies to protect their vested interests instead of national interests. Auto vendors association for instances pleads for higher import duties on auto components while the producers of cars plead for lower duties to lower the cost of cars to the consumers. The All Pakistan Textile Mills Association desires higher import duties on the import of yarn and fabric while the apparel exporters plead for duty-free access to these items for they are basic raw materials for their final products.

The bureaucracy also complains that associations provide only that data to them that strengthen their stance and conceal the one that injures their interest. For instance during the recent global recessions the exports of most of our competing economies declined but that of Bangladesh and Vietnam strengthened.

The point that the exporters missed was that the products exported from Pakistan were mostly different than the products exported by these two countries. For instance exports of basic textiles, leather and rice declined sharply in Pakistan but its apparel exports registered increase.

Bangladesh and Vietnam are in apparel export only. They entered textile trade very late but in most lucrative value-added sectors. Pakistanis are in global textile exports for more than five decades but they confined themselves mostly to low value-added basic textiles.

The dominant basic textile sector persuaded the government to protect their products from foreign competitors resulting in higher cost for basic raw materials of apparel sector. As a result, it not only hurt the basic textile exports but also stunted the growth in apparel exports.

The bureaucracy desires a free hand in formulating policies promising that technology would ensure no sector would be unduly targeted. They say that compromises are made under political pressures to change the policies. For example, they added that principle of open market economy demands there should be no subsidy on sugar exports but the political necessity says it's inevitable.

There is no scope of fixed import price tariff on items that undergo constant price fluctuations. In case of used car imports, the import trade price (ITP) for different classifications and brands of cars is fixed and has not been updated on real time basis.

The used cars enjoy a tariff subsidy of one percent per month on the original tariff. Another of their arguments was if the import of used cars is allowed under the ITP fixed three years back, the tariff subsidy would be very high as the prices have jumped by 20-30 percent over that period.

Similarly the manufacturers want high duty protection for the products they market in the country while the importers plead for lowest possible duties. Here again the decisions are taken on the basis of influence. The manufacturers have proved a number of times that the imported finished products are under-invoiced. But despite having been presented hard evidence, the planners simply raised the ITP nominally or the duty by 5 to 7 percent when the actual impact demanded it to be jacked up by 500 percent or the tariff substantially. The winners, however, in all cases are those sectors that enjoy political clout.

Source: thenews.com.pk- July 13, 2017

HOME

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Vietnam's garment, textile exports up 11 pct in 6 months

HANOI, July 12 (Xinhua) -- Vietnam earned nearly 14.6 billion U.S. dollars from exporting garments and textiles, mainly to American, European and Japanese markets, in the first half of this year, up 11.3 percent year-on-year.

Garment exports hit over 11.8 billion U.S. dollars in the six-month period, up 9.1 percent, while fiber and yarn surged 27.4 percent to roughly 1.7 billion U.S. dollars, according to the Vietnamese Ministry of Industry and Trade on Wednesday.

Vietnam's garment and textile export revenues are most likely to stand at 31.3 billion U.S dollars this year, said local experts.

In 2016, Vietnam's garment and textile exports reached 23.8 billion U.S. dollars, posting a modest growth rate of 4.5 percent due to thinner demand of key importers, said the ministry.

Source: news.xinhuanet.com- July 12, 2017

HOME

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EU home textiles & clothing imports surge in 2016

Taking advantage of lower average unit prices, home textiles imports from outside the EU-28 increased in 2016, according to The European Apparel and Textile Confederation, Euratex. During the year, EU imports of menswear showed 0.5 per cent increase in value and 4.4 per cent in volume terms, while imports of womenswear increased 0.8 per cent in value.

“Activity in homebuilding varied widely depending on the Member State, and purchasing of homeware followed suit,” Euratex states in its Bulletin 2|2017, which provides an in-depth analysis of the EU textile and clothing external trade for 2015-2016.

The report includes trade trends by sector, i.e. fibres, yarns, fabrics, carpets, technical textiles, home textiles, home textiles, workwear, mens and womenswear, by products and by EU main trading partners.

Imports of home textiles from outside the EU reached €6 billion in 2016, and were mainly divided among four countries: China (share 33 per cent), Pakistan (25 per cent), Turkey (16 per cent) and India (11 per cent). Besides, there were remarkable gains in value for Vietnam, Morocco, Taiwan and Ukraine.

In 2016, EU imports of menswear climbed to more than €20 billion, accounting for 25 per cent of total clothing imports. Of the five main imported menswear items (trousers, shirts, coats, underwear, jackets), only shirts suffered weaker demand.

China remained the main supplier of menswear. In value terms, its share of total imports stood at 28 per cent, representing another year of steady decline. The EU-28's second ranked supplier, Bangladesh, continued its inexorable rise adding 8.5 per cent to improve its market share. A comparable situation was observed in imports coming from Pakistan which added 5.8 per cent in value.

Imports of womenswear reached €29 billion, constituting 36 per cent of total EU-28 clothing imports. Imports rose for the five main imported items: trousers, skirts and dresses, coats, blouses and underwear. China continued to be the main supplier but its share was being eroded year-on-year.

Due to continued annual expansion of its import share, Bangladesh was inevitably next in line behind China, with value increasing by 13.7 per cent. In third place, Turkey continued to be a preferred traditional supplier even with a slight dip of 0.3 per cent.

Among other clothing articles, EU imports of worn clothing achieved an outstanding growth while pullovers and cardigans declined.

Source: fibre2fashion.com- July 13, 2017

HOME

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Chinese apparel exports reducing as they shift to tech-intensive products

Chinese apparel export was growing exponentially till 2014 and later it showed a steep decline. In 2014, Chinese global apparel export was the highest ever and within two years it has lost 14.79 per cent of its exports. Due largely to its skilled workforce, China is ranked the number one textile and clothing exporters in the world producing over 43.1 per cent of global demand.

However, now China is concentrating more on value adding tech intensive products. China's textile industry is shifting gears for several reasons including higher costs of production and scarcity of a skilled labour. Exports are on the decline but the sector still maintains its key position in the world.

As per the 13th five-year plan of Chinese Government for 2016 to 2020, China is strategically moving towards more value adding tech intensive products. The plan is to maintain traditional market share and grow more on high value adding product range.

Data indicates China is losing its export dominance since 2015 in almost all product sectors in textiles and clothing industry which are largely divided into eight major categories such as garment, cotton fabrics, chemical fabrics, wool fabrics, silk fabrics, knitted fabrics, textile machinery and best fiber.

An analysis of China's Textile Industry Development Report (2014 to 2015) shows textile fiber production in China touches 50+ million tons, accounting for 54.36 per cent of world share.

As much as 64.2 per cent of the world's chemical fibers, 64.1 per cent of synthetic fibers and 26.2 per cent of cotton were produced in China.

Further, apparel production in China reached 29.9 billion units in 2014, which is 10.4 per cent higher as against 2013.

This huge production capacity of China gives a clear view that it is very probable that China will remain the top apparel sourcing country for international buyers.

Source: fashionatingworld.com - July 12, 2017

HOME

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Africa: Import of second hand clothes continue to clog textile industry

The second-hand clothing has continued to enter the market and now chews a huge chunk of the clothing market. Zimbabwe Clothing Manufacturers' Association chairperson, Jeremy Youman said that this shows import licensing is not being applied by the government, nor the correct duties being applied by Zimbabwe Revenue Authority (Zimra). Duty is payable at 40 percent plus $2,50 per kg on the value of the clothing. It is irrelevant because they were sourced for free or at a minimal cost.

Youmans said that they have made submissions to the Industry ministry requesting further interventions in the mid-term budget to save the clothing industry from collapse.

There is a need for more to be done as the country is still flooded with imports. This is not just a case of the local industry not being able to compete with imports. They will never compete on anything.

Zimra is supposed to apply duty based on its value. From the prices these goods are being sold, it is clear that the system is not working. It is impossible for a manufacturer to compete with these garments, as they are sold at prices below the costs of the raw materials used to make them.

Many goods come into the country without the correct duties being paid. The international market is not a level playing field, with other countries like China, paying between 13% and 17% export incentives to their manufacturers.

Youmans said that in South Africa, the government has spent billions of rand on productivity and competitiveness schemes for their clothing industry. No matter what they are called, they effectively subsidise production costs.

Youmans said that the clothing manufacturers rebate (CMR) and the removal of second-hand clothing from the open general import licence has been in place since 2013 and has had a significant effect on the industry's ability to compete against imported goods.

The CMR allows clothing manufacturers to import raw materials, which are not manufactured in Zimbabwe, duty free on the basis that they are then used to manufacture finished garments. The concept has since been extended to six other industries including textile and furniture manufacturing.

Source: yarnsandfibers.com - July 12, 2017

HOME

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Techtextil North America shows continued growth

The fourteenth edition of Techtextil North America took place from 20-22 June at the McCormick Place – Lakeside Center in Chicago, IL, becoming the fifth edition of Techtextil North America hosted outside of Atlanta, held in the even years, and the first of its kind in Chicago.

The two in one event, co-located with JEC Americas' Future of Composites in Construction, resulted in the largest technical textiles, nonwovens, textile machinery, and composites show in the United States this year. Over 3,000 attendees networked with producers, manufacturers and finishers from across the world over the course of the three-day event, organisers report.

Increase in exhibitors

The 2017 Techtextil North America show hosted 167 exhibitors from 16 countries. The co-located event with JEC Americas attracted 3,096 visitors from around the world representing Apple, Tesla, Reebok and more. Techtextil North America 2017 saw a 15% increase in total number of exhibitors over the 2015 edition held in Houston, TX, with 60% growth in space rented by overseas exhibitors.

"We are pleased to announce that this year's Techtextil North America, hosted in Chicago, IL, resulted in a 40% increase in attendance over the 2015 edition.

Over the course of three days, the event garnered a dynamic audience – with visitors from geographies and verticals not represented at previous editions of the show," said Dennis Smith, President and CEO of Messe Frankfurt North America.

"This significant growth in attendance indicates the industry's increasing demand for international networking opportunities, and we are proud to provide a forum that facilitates new business relationships and encourages global innovation for the textile industry."

World-Class Symposium 2017

A regular feature to the Techtextil North America show schedule, the Symposium this year boasted five sessions with 23 industry expert presentations that covered the topics of advancements in manufacturing and waste minimisation, innovations in automotive design, smart textiles and wearables, and overcoming talent sourcing challenges in the industry.

As an addition to the paid sessions, a complimentary joint session was held in collaboration with JEC Americas focusing on technical textiles and composites in building and construction applications.

Tech Talks

This year, Messe Frankfurt partnered with the Nonwovens Institute to bring a new feature to the show floor. Tech Talks were complimentary sessions with first come, first serve seating powered by the Nonwovens Institute.

In addition to sessions on filtration, safety and transportation presented by Dave Nelson, the Nonwovens Institute's Director of Industry Engagement, graduate student Poster Program participants had the opportunity to present their research on the show floor, giving attendees and exhibitors a glance at the ideas and talent coming from the top textile programs in the country.

Techtextil North America 2018

The fifteenth edition of Techtextil North America, the only trade show in the Americas dedicated to technical textiles and nonwovens, will be co-located with Texprocess Americas, from 22-24 May 2018 at the Georgia

World Congress Center in Atlanta. Techtextil North America and Texprocess Americas are set to attract upwards of 9,000 visitors, an estimated 500 exhibitors and feature a symposium schedule with more than 120 speakers from across the industry spectrum.

Source: innovationintextiles.com - July 12, 2017

HOME

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Azerbaijan establishing association of textile producers and exporters

Sahib Mammadov, Azerbaijani deputy economy minister, at the event dedicated to the textile industry development prospects in Baku on July 11 announced that an association of textile producers and exporters is being established in Azerbaijan as the entrepreneurs, operating in this area, voiced such an initiative.

The establishment of the association will accelerate the process of making the necessary decisions aimed at the development of this sector, Mammadov said.

In general, such associations serve to improve relations between the state and the private sector.

Arif Mardanov, executive director of the Baku spinning and weaving factory, said that the association must solve a sufficient number of problems in this sector. There are already eight associations in the country and now there would be establishing the ninth association.

At present, one of the main problems of the sector is the lack of production of raw materials for their industry as more than 70 percent of raw materials are imported from foreign countries. Despite they have recently increased the production of cotton, the quality leaves much to be desired. Therefore, they must work hard in this direction.

Source: yarnsandfibers.com - July 12, 2017

HOME

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UN director says boosting intra-African trade crucial

The United Nations Economic Commission for Africa's (ECA) Capacity Development Division (CDD) Director, Stephen Karingi, emphasizes the need to boost intra-African trade.

He made the remark on Tuesday the Aid for Trade Global Review 2017 opened at the World Trade Organisation at (WTO) headquarters in Geneva. Boosting intra-African trade is the most effective channel for trade to deliver development on the African continent, said Mr. Karingi, adding deeper trade integration is the surest way to speed up Africa's economic transformation.

"Trade contributes towards industrialization and structural transformation. Intra-African trade currently stands at a mere 13 percent of the continent's total trade, which is very low. As the ECA we are saying there's need for African governments to do more to grow intra-African trade," he said, adding Africa's relatively low intra-regional trade is also as a result of barriers created by limited connectivity within the continent.

"With this we should think of physical connectivity, infrastructure, where the gaps remain significant," said Mr. Karingi to participants attending the Africa Session of the Aid for Trade Global Review 2017.

"Equally, we should consider softer aspects of connectivity. Non-tariff and tariff costs both influence how African countries can link with each other."

Higher volumes of intra-African trade, said Mr. Karingi, are essential so African countries can do business with each other more frequently and with wider margins. He said policies to enhance intra-regional trade on the continent are crucial, adding strategies to implement, enforce and monitor their progress and impact are also needed.

This year's Global Review is dedicated to the theme of "Promoting Trade, Inclusiveness and Connectivity for Sustainable Development", and will provide an opportunity for stakeholders to look at how Aid for Trade (AfT) can contribute to the integration of developing countries and least developed countries into the multilateral trading system and the achievement of the 2030 Agenda for Sustainable Development.

The Global Review will in the next three days examine how Aid for Trade promotes connectivity and inclusion and focus on crucial trade and development issues, such as the trade dimension of the SDGs, digital connectivity, women's empowerment and trade facilitation.

Mr. Karingi said key initiatives on the continent for boosting intra-African trade include the on-going Continental Free Trade Area (CFTA) negotiations, which are set to be concluded this year, and the Boosting Intra-African Trade initiative (BIAT).

BIAT, he said, is a useful framework for addressing connectivity issues in Africa while the CFTA aims to, among other things, create a single continental market for goods and services, promote the free movement of business persons and investments and expand intra-African trade. The CFTA is also expected to enhance competitiveness at the industry and enterprise levels.

Mr. Karingi also spoke about the Action Plan for Boosting Intra-African Trade which has seven priority clusters: trade policy, trade facilitation, productive capacity, trade-related infrastructure, trade finance, trade information and factor market mobility.

"For Aid for Trade to deliver on Africa's priorities, it should be aligned with these frameworks and the continent's priorities," he said.

The entry into force of the WTO's Trade Facilitation Agreement (TFA) on 22 February 2017 has given trade policymakers a powerful tool for reducing the physical trade costs that prevent many firms in developing countries from participating in international trade.

Implementation of the TFA, and the benefits to developing countries from the associated reforms, will be one of the key themes addressed at the Global Review.

Another key theme of the Global Review is how firms are using digital technology to log on to the multilateral trading system.

Action to bridge the digital divide, and in particular the strong gender dimension to this divide, will also be discussed as it the Review aims to address women's economic empowerment and examine how Aid for Trade is promoting women's empowerment as part of broader efforts to advance the 2030 Agenda for Sustainable Development.

Source: newbusinessethiopia.com - July 12, 2017

HOME

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Chinese trade with North Korea jumped 10.5% in the first half of this year, according to China Customs data

China's imports from North Korea dropped 13.2 percent in January-to-June to $880 million, data from Chinese customs showed on Thursday.

Exports to North Korea rose 29.1 percent to $1.67 billion during the period, the data showed.

China's trade with North Korea expanded by 10.5 percent to $2.55 billion in the six months.

The exports were largely driven by textile products and other traditional labor-intensive goods that are not included on the United Nations embargo list, Huang Songping, a customs spokesman, said at a briefing in Beijing.

Notably, China Customs said its first-half coal and iron ore imports from North Korea were in line with U.N. Security Council resolutions.

President Donald Trump last week criticized China for its ties with North Korea's government following the launch of a test missile, saying that China's economic interests undermined its ability to challenge President Kim Jong-un's totalitarian regime.

The UN and the U.S. have attempted to use sanctions for the past decade in an attempt to stem North Korea's nuclear weapons development, but the latest July 4 test, which demonstrated a significant advance in its capabilities, have forced international bodies to reconsider their response going forward.

Source: cnbc.com - July 12, 2017

HOME

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Brazil to promote cotton growth in East Africa

Brazilian government has taken the initiative to boost the production of cotton in East Africa by improving the techniques of cotton farming and through training professionals.

Assistance to cotton farmers with the availability of better cotton varieties, irrigation projects, and transparent pricing will boost cotton production in African countries.

Cotton Victoria Project, a partnership between Brazilian Cooperation Agency (ABC), Brazilian Cotton Institute (IBA), Federal University of Lavras (UFLA), Brazil, Tanzania, Kenya and Burundi, will boost cotton production in East Africa, according to a news agency.

The project will increase the competitiveness of the cotton sector in Tanzania, Kenya and Burundi, with the production of a greater amount of high quality cotton, said Marcela Nicodemus, Brazilian ambassador to Kenya.

Cotton can improve the economic condition of these countries, he added.

Kenya's average yield of cotton per hectare is 572 kg as compared to the world's average of 726 kg. In late 1980s, there was a downfall in Kenya's cotton production due to the introduction of Structural Adjustment Programs (SAPs) across the world.

Source: fibre2fashion.com - July 12, 2017

HOME

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USDA Report Update

The USDA June report is sloped towards Supply.

The 2017-18 US production is estimated at 19.2 million bales while exports have been declined by 500K bales to 13.5 million bales amid higher production estimation from other producing countries. Meanwhile, domestic use and beginning stocks have been left unchanged at 3.4 million bales and 3.2 million bales respectively. However, the ending stock is projected higher at 5.5 million bales up by 0.5 million bales from the preceding month's report. The estimated ending stock is set at 9 year high.

From the global front USDA's June forecasts show an upward revision in global production (essentially *due to higher area while yield is estimated unchanged)*, from 113.2 million bales to 114.7. Interesting point to notice here is despite higher supply outlook global production remains below the levels of 2015-16 extremely poor yielding years.

Consumption, meanwhile, is forecast higher in several large consumer-producer countries. Forecasts for China, India, and Pakistan were all raised noticeably, boosting the forecast growth rate for consumption without greatly increasing forecast demand for imports, especially as China and Pakistan have larger forecast 2017-18 production, and thus comparatively ample expected supplies.

World imports included a reduction by 800,000 bales, mainly owing to lower expected demand from Pakistan and Mexico. World ending stocks are forecast at 87.71 million versus last month's 87.14 million.

Overall we contemplate the June report to have negative outlook on cotton price due to higher supply estimates. The market has also reacted post the data released. The most active July future trades at ICE have declined sharply towards 75 cents. This morning in Asia the same counter is trading down at 75.55 cents per pound.

We believe market may remain under stress. For detailed analysis access our weekly report releasing later today.

In line with ICE performance the ZCE cotton is also seen trading lower this morning. The most active September contract is down by 220 points from the previous close and trading at 15395 Yuan/MT.

We believe market may remain under stress. The domestic cotton future for June which closed at Rs. 20740 is expected to trade in the range of Rs. 20500 to Rs. 20850 levels.

Note upon break below Rs. 20500 the fall may extend to Rs. 20350 per bale and we recommend selling from higher levels.

Technical Chart: ICE July Future: 100 & 150-Day Moving Average is breached, signaling bearish tone to persist, what can go wrong for ICE contract not to hit 200-day SMA @ 74.20

Source: Kotak commodities.com - July 12, 2017

HOME

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July, August may be busiest months for imports in US

July and August should be two of the busiest ever months for imports at the nation's major retail container ports, possibly setting a new record as merchants enter the back-to-school season and begin to stock up for the holiday season, according to the monthly Global Port Tracker report by the National Retail Federation and Hackett Associates.

"We're expecting retailers to import some of the largest volumes of merchandise ever," NRF vice president for Supply Chain and Customs Policy Jonathan Gold said.

"That's a good indicator of what could be ahead for consumer demand and retail sales, and it's a sign that retail is going strong despite what you might read in the headlines."

Ports covered by Global Port Tracker handled 1.72 million Twenty-Foot Equivalent Units in May, the latest month for which after-the-fact numbers are available. That was up 7.3 per cent from April and up 6.2 per cent from May 2016. One TEU is one 20-foot-long cargo container or its equivalent.

June was estimated at 1.66 million TEU, up 5.3 per cent from the same time last year. July is forecast at 1.71 million TEU, up 5.1 per cent from last year; August at 1.75 million TEU, up 2.2 per cent; September at 1.66 million TEU, up 4.3 per cent; October at 1.71 million TEU, up 2.2 per cent, and November at 1.6 million TEU, down 2.7 per cent from last year.

The August figure would be the highest monthly volume recorded since NRF began tracking imports in 2000, topping the 1.73 million TEU seen in March 2015. The 1.7 million-plus numbers seen in May, July, August and October represent four of the six busiest months in the report's history.

The first half of 2017 is expected to total 9.63 million TEU, up 7.1 per cent from the first half of 2016. Cargo volume for 2016 totaled 18.8 million TEU, up 3.1 per cent from 2015, which had grown 5.4 per cent from 2014.

NRF has forecast that 2017 retail sales - excluding automobiles, gasoline and restaurants - will increase between 3.7 and 4.2 per cent over 2016, driven by job and income growth coupled with low debt.

Cargo volume does not correlate directly with sales because only the number of containers is counted, not the value of the cargo inside, but nonetheless provides a barometer of retailers' expectations.

Hackett Associates Founder Ben Hackett, an internationally known economist who prepares Global Port Tracker for NRF, said the increases in imports have come despite threats by the Trump administration to impose new limits on international trade.

"Some actions to date appear to have alienated traditional allies and are causing them to work more closely together, leaving the United States on the sidelines," Hackett wrote in his monthly editorial comment in the report. "'America First' may well result in protectionist actions that will cut the United States off from the benefits of the global value chain and economic growth for US importers and exporters."

Global Port Tracker, which is produced for NRF by the consulting firm Hackett Associates, covers the US ports of Los Angeles/Long Beach, Oakland, Seattle and Tacoma on the West Coast; New York/New Jersey, Hampton Roads, Charleston, Savannah, Port Everglades and Miami on the East Coast, and Houston on the Gulf Coast.

Source: fibre2fashion.com - July 13, 2017

HOME

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Vietnam: Australia, a market for Vietnam's garments, handbags

Export potential of Vietnam's garments, handbags and leather footwear to Australia was explored in a conference in Hanoi. The event, co-held by the Hanoi Investment, Trade and Tourism Promotion Agency and Australia International Exhibition and Conference Group, brought together over 60 businesses from garment, textiles, footwear and fashion sectors.

Besides the Hanoi-based business, the associations and organisations which have high export demand to Australia and New Zealand also attended the conference.

The participants were briefed on Southeast Asia's garment and textiles market and Australia and New Zealand's import potentials for garment, textiles and leather products.

The conference gave an opportunity to Vietnam export businesses to broaden their network with Australia partners, thus increasing availability of Vietnamese goods in the market, said Nguyen Mai Anh, deputy director of the agency.

Meanwhile, IEC director Julie Holt said Australia boasts great purchasing power although its population is less than the US and Europe, adding that Vietnam ranked second among countries exporting footwear products to Australia with export turnover of Australian $ 32 million.

The director also noted that Vietnamese firms should follow international standards to meet requirement of importers.

According to data from the General Department of Vietnam Customs, in the first quarter of 2017, two-way trade between Vietnam and Australia reached $ 1.35 billion.

Vietnam exported $ 687 million worth of goods to Australia, up 8.3 per cent, while importing $ 665 million worth of products from the market, down 18.6 per cent compared to the same period last year.

During the review period, Vietnam raked in $ 50 million from footwear exports to Australia, up 24.6 per cent and $ 42 million from garment and textile products, up 13.6 per cent.

Source: fibre2fashion.com - July 13, 2017

HOME

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NATIONAL NEWS

TN powerlooms seek GST exemption for weaving industry

The Tamil Nadu Powerloom Federation Limited has urged the state chief minister EK Palaniswami to request the Centre to exempt weaving industry from the Goods and Services Tax (GST). The weaving sector comprises small and tiny weavers and bringing them under the tax net for the first time would jeopardise the entire textile industry, the Federation said.

So far, no central excise, sales tax or service tax was levied on the weaving industry, as the yarn used in the weaving process was already taxed. Further, tax was again paid for the fabric at the processing stage, Federation president MS Mathivanan told the chief minister.

The Central government would not suffer much loss by giving exemption to the weaving industry, as the tax levied on the yarn and weaving is to be credited when it was processed, said Mathivanan, who led the delegation comprising representatives of Erode and Karur cloth merchants' associations, and weaving associations from several places across the state.

Since majority of the weavers were illiterate, they would not be able to register and furnish returns online, as required under the GST. And without being registered under the Act, they would not be able to either buy yarn from the mills or sell fabric in the market, the delegation said.

The chief minister assured the delegation of his full support and told that he would send handlooms minister OS Manian and senior officials to New Delhi to apprise the situation to the Union finance minister Arun Jaitley, the Federation said in a statement.

Source: fashionatingworld.com- July 13, 2017

HOME

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Khadi Board launches clothes for 'Shravan Kanvarias'

Khadi Board has given some style to kanwarias attire even as the devotees ready themselves for the trip. The Jharkhand State Khadi Board has designed specially knitted orange coloured garments for men and women to be sold on discounted rates. The new items introduced include designer bags, kurtis, patiala salwar suits, Nehru jackets in saffron colours.

"We have specially designed garments for devotees. These have been designed by artists from Hariharganj who have used cotton threads to make kanwarais feel comfortable in the garments. We are also offering 25 per cent discount on all items," Khadi board chairman Sanjay Seth was quoted as saying in media reports.

“It happened for the first time that they had designed garments for the devotees of Deoghar. The price of set of khadi garment for males is Rs 1200 and that for females is Rs 900 each with the discount of 25 per cent,” he said, according to the reports.

"Earlier saffron coloured garments were brought from Manglahaat in Kolkata. But, responding to the growing demands of the devotees, especially the youngsters, we have launched a new range of garments and apparels," Seth was quoted as saying.

“We will set up a stall at Mitra College in Deoghar where all the prominent items will be available from the first Monday of Shravan. As many as 10 solar charkhas will also be brought on trial basis. Since a number of people had shown their lots of interest in the business of khadi the Jharkhand Khadi Board has decided to give them the franchise of Jharkhand Khadi,” he said, according to the reports.

The Khadi board was planning to open eight sewing centres to given women six month training. During the training period, each woman will be given Rs 1500 on monthly basis

Source: fibre2fashion.com- July 13, 2017

HOME

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AMI to host 12th apparel trade fair in Chennai

Apparel Manufacturers of India (AMI), the leading apparel group of manufacturers and traders, will conduct its 12th edition of trade fair in Chennai next month. After successfully wrapping up its last fair at Kochi, team AMI is all set to provide a larger and bigger platform to add meaning to the entire value chain of readymade apparel market in Tamil Nadu.

The 3-day event will begin on August 1, in the presence of leading manufacturers and traders of readymade and unstitched garments of women's, men's and kids wear. Young and talented designers will be showcasing their styles and patterns for the upcoming festive season.

More than 100 renowned apparel brands including Ethos, Geevankee, Era, Final Choice, Torso Shirts, Diya Design Studio and All Timez will be showcasing their newly launched collection to attract retailers and MBOs across Tamil Nadu.

"We have always received an overwhelming response in Tamil Nadu and therefore we keep coming back here. This will be our 5th fair in Chennai, in the past 2 and half years, and we look forward to a great response this time too," said Nikhil Furia, key organiser, AMI.

"We started AMI with the aim to offer a massive platform to upcoming brands and build a strong network of retailers and manufacturers for the overall growth of the industry. We are now strongly connected to a network of more than 8,000 retailers and MBOs in the South and we hope to scale across India," added Furia.

AMI is founded by Dharmesh Nandu of Femi Design and today the team includes Kamlesh Nanda of Fayon Troupe & Sequins, Umesh Bani of Baaniz (Mangalam), Nikhil Furia of Era, Rajesh Gala of Final Choice, Nitin Kankaria of Big Brother, Nitin Shah of Hansi Clothing and Milind Desai of Mahudi Designer.

AMI kicked of its first exhibition in January 2015 with the aim of bridging the gap between retailers, agents and suppliers. It's core purpose is 'to grow together' and build a strong network for mutual growth and it believes that entrepreneurs can easily make their dreams a reality if each one helped other, enough to achieve their goals.

It provides with the latest festive collections by talented designers and their brands. Till date, AMI has conducted 11 fairs across Kochi, Chennai and Hyderabad and reached out to more than 8,000 retailers and MBOs.

Source: fibre2fashion.com- July 12, 2017

HOME

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Cotton prices likely to rise

Indian cotton prices, which have remained range bound for one-and-a-half months, are expected to increase by about 3 per cent once the cotton-based yarn, fabric and textile industry, thrown out of gear post-GST, resumes work in full swing in a couple of weeks.

"Cotton selling declined by about 30-40 per cent after the new tax code came into force. We hope revival in demand after the cotton-based industry comes back to normalcy," said a Maharashtra-based ginner, who did not want to be identified. ..

Current cotton prices are ruling at about Rs 43,500 per candy and are expected to rise by about Rs 1,000/candy to Rs 1,500/candy, up by about 2.5-3.5 per cent, after the trade adjusts to GST and demand streamlines.

The goods and services tax (GST) has taxed fabric, which was never taxed before, at 5 per cent. Opposing this tax, cloth traders from Surat, the main hub of synthetic cloth business in the country, have gone on strike. As a result, cotton demand from the entire value chain has declined substantially.

"Mills had reduced cotton buying right from June waiting to get benefits under GST once it came into force," said the ginner. With limited carry forward stocks of the previous year, cotton users say that the industry has been in dire straits. With cotton sowing during the ongoing kharif season expected to rise by about 20-25 per cent, industry expects comfortable cotton stocks for 2016-17.

Source: economictimes.com- July 13, 2017

HOME

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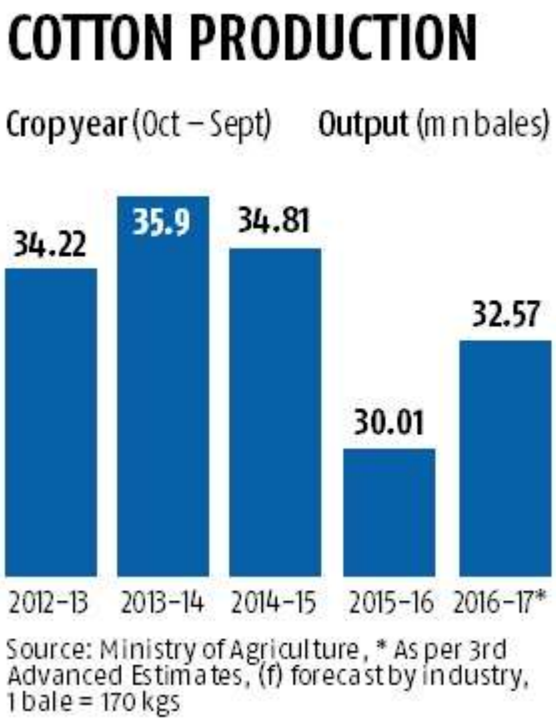
ASG advises Centre to clarify law over cotton seed prices



Differing interpretations by the government and the industry on the interoperability of the Indian Patent Act and the Protection of Plant Varieties and Farmers' Rights Act have caused uncertainty over future technology investments that could cause damage to cotton farmers across the country.

A letter dated June 16 to the agriculture secretary, Additional Solicitor-General (ASG) Tushar Mehta said, "It is my considered opinion that the central government must file written submissions confining to the questions of law and without touching upon the internal disputes between the two private companies."

Mehta was responding to a letter written by the agriculture secretary on May 31 seeking a legal view on the various court cases filed by Monsanto and Nuziveedu Seeds over use of the former's patented technology despite the termination of sub-licence agreements.

Following representations by cotton farmers claiming Monsanto charged different seed prices across states, the government issued the Cotton Seeds Price (Control) Order, 2015, under the Essential Commodities Act to fix seed prices based on the "trait value" along with a patent fee for the developer.

"Any decision on the point of law in the appeal would have a direct impact not only on the interpretation of the existing Indian Patent law as well as PPV&FR Act but also on all pending writ petitions that are being defended by the central government and other central agencies" Mehta's letter added.

"Having failed to get any interim relief before the Delhi High Court by the subsidiary company of Monsanto, an association sponsored by Monsanto moved to the high court of Karnataka at Bangalore.

An ex parte stay was initially granted by a single judge bench, which was vacated later.

The central government is contesting the said proceedings vigorously as a result of which even the appeal filed by the said association came to be dismissed," the letter said.

Earlier, the agriculture ministry had filed a reference before the Competition Commission of India against Monsanto and its subsidiaries for anti-competitive business practices.

The CCI found a prima facie case of violation of various sections of the Competition Act and directed an investigation against Monsanto and its subsidiary companies.

Source: business-standard.com- July 13, 2017

HOME

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Wage code: Hike pay, kill wages; why raising salaries is a bad idea

Even as India is looking to overhaul its labour laws, the Brazil Senate on Tuesday approved some major changes to that country's labour code. Amidst some serious opposition, the Brazilian government tweaked the law to allow agreements negotiated between employers and workers, on a range of issues, to override current labour law.

The changes will also make it easier to hire temporary workers, even for extended periods of time. While India's Parliament is also expected to debate amendments to labour laws next week, one of the laws expected to be discussed is making minimum wages mandatory.

The Labour Code on Wages, 2015, says no employer shall be allowed to pay to any employee wages less than the minimum wages notified by the state government. Given India's labour laws are already very restrictive, imposing one more condition will only make it more difficult for companies—especially smaller ones—to function efficiently.

At a time when job creation is very slow, and increasing automation in the manufacturing sector is threatening to shrink the number of jobs, enforcing a minimum wage will be counter-productive.
Already India is losing out in the export market to countries such as Vietnam, Bangladesh and China. While wage costs are not the only reason for the loss of market share—poor infrastructure is also a culprit—an increase in the wage bill will make Indian exporters even more uncompetitive.

So, while India's labour costs are around half China's, poor labour productivity means China's cost of production is half India's.

With poor labour laws resulting in India having a lot more small firms than China, this ensures India can never get the same economies of scale.

The Economic Survey makes this point when it notes that India still has the potential comparative advantage in terms of cheaper and more abundant labour. However, these are nullified by other factors that make Indian companies less competitive.

The minimum wages in India vary widely across states; in Andhra Pradesh semi-skilled workers earn $81 per month whereas in Maharashtra they make $118 per month. This is similar to the wages of $80-120 per month in Bangladesh but lower than the $120-$150 per month in Indonesia.

State governments will be expected to review or revise the minimum rates of wages every five years if the wages include a component of variable dearness allowance—linked to the CPI Index.

Else, these need to be re-looked every two years. Unfortunately, there is no room for freezing wages or trimming them in the event the company goes through a bad phase or any recognition of the fact that businesses typically go through cycles. While the government is looking to protect the interests of workers, enforcing minimum wages will end up hurting the job market.

Source: financialexpress.com- July 13, 2017

HOME

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