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USD 68.19 | EUR 72.56 | GBP 83.72 | JPY 0.60

Cotton Market Update

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

Rs./Bale	Rs./Candy	USD Cent/lb
19625	41050	**76.75**

Domestic Futures Price (Ex. Gin), March

Rs./Bale	Rs./Candy	USD Cent/lb
20400	42670	**79.78**

International Futures Price

NY ICE USD Cents/lb (March 2017)	72.26
ZCE Cotton: Yuan/MT (January 2017)	14,990
ZCE Cotton: USD Cents/lb	**84.40**
Cotlook A Index – Physical	**81.35**

Cotton & currency guide: Cotton price across the globe continued to trade steady. The spot price of cotton in India traded tad positive at Rs. 41550 per candy ex-gin. The effect was visible on the futures price. The most active January future ended the session at Rs. 20020 up by Rs. 70 from the previous close. The market has been quiet for the past three trading sessions. At the global front the 72 marks continues to hold tight. In one side funds are keeping the price of cotton elevated with holding hefty speculative long positions while in the other hand hedgers are carrying the short positions. Basically we are seeing a very steady trend and perhaps market is waiting for fresh cues to drive price either side. The most active March future at ICE ended the session at 72.26 cents/lb and this morning the same is seen trading slightly higher at 72.39. In the meanwhile Chinese cotton price is also trading marginally higher by 0.60% while writing this report and quoted at 15105 Yuan/MT. We believe overall market may remain steady.

From the spot front in India the spot price quoted at Rs. 41550 per candy. Nationwide, daily seed cotton arrivals are estimated to have risen to around 142,000 lint equivalent bales (170 kgs), including 55,000 from Maharashtra and 33,000 from Gujarat. According to the Cotton Corporation, cumulative new crop arrivals by January 17 were estimated at 12,448,500 lint equivalent bales, including over 2.7 million from Gujarat and over 3 million from Maharashtra. The volume of arrivals by the same date in 2016 was 13,400,100 bales, representing a deficit in the current season of roughly 952,000.

We believe because of tight supply scenario and inadequate arrivals of new crop are keeping the cotton price in India upbeat. However, we are at this moment very cynical about the price trend. For the short term cotton is expected to trade in the range of Rs. 20250 to Rs. 19800 levels. Note either side break out shall decide a fresh view in the market.

For the day we expect cotton January future to trade in the range of Rs. 20170 to Rs. 19940 per bale.

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INTERNATIONAL NEWS

Trump Pledges a Quick Post-Brexit Trade Deal with the UK

The Times of London and Germany's Bild newspapers conducted an exclusive interview with President-elect Donald Trump. During the conversation–which covered a range of topics including potentially lifting sanctions on Russia to get them to the table on a nuclear weapons deal and more talk about the issues facing NATO–Trump said the U.S. and the UK would have a new trade agreement in place "quickly" post Brexit.

This after he opposed the Trans-Pacific Partnership and has asserted he'll look to change—if not dissolve—the North-American Free Trade Agreement.

Though he offered no specific timeline, what is known is the UK is not free to enter into any new deals until the country has formerly left the EU. That process is slated to take two years. In the intervening time, the UK cannot engage in any formal negotiations. This serious talks won't start for two years.

Informally, Trump and UK Prime Minister Theresa May have both made public their intentions of starting to build a relationship. Trump says the first meeting will take place soon after the inauguration.

"We welcome the commitment from the president-elect to engage with the UK on this, to work together to agree a deal quickly," Prime Minister Theresa May's spokeswoman told The Guardian.

Trump called Brexit "smart," as he sees Germany as the only real beneficiary of the alliance. He also predicted Britain's just the first country that will exit. He said the tipping point for the EU was Europe—and Germany, in particular—welcoming in Syrian refugees.

A report in the BBC took a closer look at the possibility of a quick trade agreement between our two countries.

According to its findings, free trade would be the least of our challenges if we should try to negotiate an agreement since tariffs are already low.

Source: sourcingjournalonline.com– Jan 17, 2017

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Germany: Technical textiles are driving growth of global textiles industry

With three months still to go before the doors open, 85% of exhibition space at Techtextil 2017 has already been booked, which means the next edition of the leading international trade fair for technical textiles and nonwovens, which will be held from 9 to 12 May, will grow in comparison to the previous fair.

“Technical textiles rank among the most important driving forces of growth in the textile sector.

The fact that so many companies have already registered for Techtextil 2017 is an indication of how dynamically the sector is developing,” commented Olaf Schmidt, Vice President Textiles and Textile Technologies, Messe Frankfurt.

Registrations

Some of the companies that have already booked exhbition space at Techtextil 2017 include market leaders such as Forster Rohner, Freudenberg, Groz-Beckert, IBENA Textilwerke, Lenzing, Mehler Texnologies, Outlast Europe, PHP Fibers, Sandler, Sattler PRO-TEX, Schoeller Textil, Sioen Fabrics, and Trützschler.

As in the past, numerous countries will be represented by national pavilions. Belgium and Italy have increased the size of their pavilions and firm bookings have already been received from China, France, UK, India, Canada, Portugal, Spain, Taiwan, the Czech Republic, Turkey and the USA.

From conductive yarns, via smart textiles, to composites and lightweight constructions, Techtextil 2017 will present the complete spectrum of textile solutions for the automobile industry, construction and architecture, industry, medicine, and clothing.

Economic climate

According to the German Textile and Fashion Association, the turnover of the German textile and fashion industry rose by around 2% in 2015, compared to the previous year. Particularly successful were textiles and technical textiles with a growth rate in excess of 3%.

The economic climate in the sector is also good on the European plane. According to the Euratex association, the production of nonwovens rose by 3% and that of technical and industrial textiles by 6% in the period from January to May 2016, compared to the same period the year before. Exports from European countries rose by a total of 5% between 2014 and 2015.

The economic climate in the leading non-European textile nations is also good. For example, the USA anticipates further growth in 2016. At present, technical textiles account for 37% of US textile production.

China is forecasting export growth of 4% in the technical-textiles sector and aims to increase its production to 22 million tonnes by 2020. India expects production to grow from the current level of around US $18 billion to 26 billion by 2017.

According to Germany's Commerzbank, the world market for conventional textiles will expand and be worth around US $160 billion by 2018. In the case of nonwovens, the world market is expected to grow in terms of sales to over US $42 billion in 2017.

Texprocess

Texprocess, the leading international trade fair for processing textile and flexible materials, will be held concurrently with Techtextil and offer insights into all aspects of textile processing, including textile finishing and digital printing.

The number of registrations received for Texprocess is also extremely good, organisers report.

Techtextil 2015 was attended by 28,500 trade visitors from 102 nations, as well as over 5,500 trade visitors from the concurrent Texprocess.

Source: innovationintextiles.com– Jan 18, 2017

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UK to pursue trade agreements with other countries

The United Kingdom will pursue free trade agreements with the EU and also with countries from outside the EU, Prime Minister Theresa May has said while setting out the Plan for Britain, including the 12 priorities that the UK government will use to negotiate Brexit. The agreement with the EU should allow for the freest possible trade in goods and services.

“As a priority, we will pursue a bold and ambitious free trade agreement with the European Union. This agreement should allow for the freest possible trade in goods and services between Britain and the EU’s member states. It should give British companies the maximum freedom to trade with and operate within European markets – and let European businesses do the same in Britain,” May said in her speech.

However, she was clear that her proposal of free trade agreement cannot mean membership of the single market. “We do not seek membership of the single market. Instead we seek the greatest possible access to it through a new, comprehensive, bold and ambitious free trade agreement.”

An important part of the new strategic partnership that UK seeks with the EU will be the pursuit of the greatest possible access to the single market, on a fully reciprocal basis, through a comprehensive free trade agreement, May said.

Speaking about forging new trade agreements with countries from outside the European Union, she said, “Since joining the EU, trade as a percentage of GDP has broadly stagnated in the UK. That is why it is time for Britain to get out into the world and rediscover its role as a great, global, trading nation.”

“We want to get out into the wider world, to trade and do business all around the globe. Countries including China, Brazil, and the Gulf States have already expressed their interest in striking trade deals with us.

We have started discussions on future trade ties with countries like Australia, New Zealand and India," she said. UK is also "front of the line" for a trade deal with the US.

May said she wants to remove as many barriers to trade as possible. "And I want Britain to be free to establish our own tariff schedules at the World Trade Organisation, meaning we can reach new trade agreements not just with the European Union but with old friends and new allies from outside Europe too."

Source: fibre2fashion.com – Jan 18, 2017

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Pakistan: About 10.5 million bales of cotton reach ginneries

Pakistan Cotton Ginners Association (PCGA) has issued the figures of cotton arrival up to January 15th, 2017. Seed cotton (Phutti) equivalent to over 10,535,922 bales of cotton have reached ginneries across Pakistan as of January 15th, showing an increase of 11.19 percent compared to corresponding period last year when ginneries received 9,475,729 bales.

According to the 8th fortnightly report of Pakistan Cotton Ginners Association (PCGA) issued here on Wednesday Chairman of PCGA Dr Jeso Mal, Ex-chairman Shahzad Ali Khan and group Chairman Haji Muhammad Akram, Senior Vice Chairman Suhail Mehmood Haral briefed the media men about cotton production and said out of the total arrivals, 10.53 million bales of cotton have been converted into bales so far.

Ginneries in Punjab recorded arrival of 6,765,159 bales recorded increase of 17.81 percent. Sindh ginneries recorded arrival of 3,770,763 bales while last year Sindh received 3,733,243 bales merely 1.01 percent more.

Ginneries in Sindh recorded an increase of 1.01 percent as compared to corresponding period last year. Textile mills have bought 9,238,656 bales while exporters bought 199,844 bales.

The total bales sold out so far were calculated at 1,009,554 bales. While, 1,097,422 bales are lying unsold.

Multan received 293,076 bales 129.53 percent increase than last year, Lodhran 1,89,434 bales 104.93 percent increase, Khanewal 575,742 bales 47.97 percent increase, Muzaffargarh 3,19,482 bales an increase of 24.37 percent, Dera Ghazi Khan 335,947 an increase of 15.41 percent, Rajanpur 332,312 bales, 17.85 percent decrease, Layyah 266,425 bales 7.51 increase, Vehari 378,262 bales 24.78 increase, Sahiwal 209,456 bales 16.35 percent less than last year, Pakpattan 41,873 bales 37.01 percent less, Okara 19,086-13.63 percent less, Toba Tek Singh 1,57,167 bales, Faisalabad 37,080 bales 28.17 percent less than last year, Jhang 30,102 showing decrease of 26.51 percent, Mianwali 2,63,435 a decrease of 17.62 percent, Bhakkar 61,641 (23.72 percent less) Sargodha 9,847 (12.07 percent less), Rahimyar Khan 1,135,966 bales (Merely 4.16 percent increase), Bahawalpur 9,60,982 an increase of 34.95 percent, and Bahawalnagar 1,147, 817 an increase of 37.36 percent.

In Sindh: Hyderabad 227,122 bales 9.27 percent less than last year, Mirpur Khas (Thar) 269,832 bales one percent less, Sangarh, 1,229,245 bales 7.83 percent decrease, Nawabshah 327,156 bales (4.65 percent increase), Naushero Feroze 3,36,411 bales (18.84 percent increase), Khairpur 288,872 (9 percent increase) Ghotki 299,919 (3.88 percent increase), Sukkur 532,980 (19.26 percent increase) Dadu 44,227 bsales (25.26 percent increase) Jamshoro 112,036 bales (15.76 percent less), Badeen 27027 bales 14.47 percent less) and Balochistan 75,936 bales (an increase of 32,12 percent). Total 253 ginning factories are operational in the country. About 145 of them in Punjab and 108 in Sindh. Total 1,097,422 bales are lying in unsold stock.

Source: brecorder.com – Jan 19, 2017

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World economy expanded by just 2.2% in 2016: UN

The world economy expanded by just 2.2 per cent in 2016, the slowest rate of growth since the Great Recession of 2009, according to the United Nations World Economic Situation and Prospects (WESP) 2017 report. World gross product is projected to grow by 2.7 per cent in 2017 and 2.9 per cent in 2018, a slight downward revision from forecasts made last May.

Although a modest global recovery is projected for 2017-18, the world economy has not yet emerged from the period of slow growth, characterised by weak investment, dwindling trade and flagging productivity growth, states the report.

Launching the report at the UN Headquarters in New York, Lenni Montiel, assistant secretary-general for Economic Development, United Nations Department of Economic and Social Affairs, underscored the "need to redouble the efforts to bring the global economy back on a stronger and more inclusive growth path and create an international economic environment that is conducive to sustainable development."

The moderate improvement expected for 2017-18 is more an indication of economic stabilisation than a signal of a robust and sustained revival of global demand. As commodity prices trend higher, commodity exporting economies are likely to see some recovery in growth.

The report projects that growth in the developed economies will slightly improve in 2017, but headwinds arising from weak investment and policy uncertainty continue to constrain economic activity.

Developing countries continue to be the main drivers of global growth, accounting for about 60 per cent of the world's gross product growth in 2016-18. East and South Asia remain the world's most dynamic regions, benefiting from robust domestic demand and supportive macroeconomic policies.

The report identifies prolonged weak investment as a major cause of the slowdown in global growth. Many economies have experienced a marked downturn in private and public investment in recent years, particularly in the oil and extractive industries.

In commodity-exporting countries, governments have curtailed much needed public investment in infrastructure and social services, in response to sharp revenue losses. At the same time, labour productivity growth has slowed markedly in most developed economies and in many large developing and transition economies.

The report stresses the importance of investment in new capital as a driver of technological change and efficiency gains. In particular, it concludes that investment in key areas, such as research and development, education and infrastructure, can serve to promote social and environmental progress, while also supporting productivity growth.

The report, however, cautions that the global outlook faces significant uncertainties and risks. A high degree of uncertainty is identified in the international policy environment and elevated foreign currency-denominated debt levels as key downside risks that may derail the already modest global growth prospects.

Source: fibre2fashion.com – Jan 18, 2017

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China lays out plan to boost foreign investment

The Government of China has outlined measures to boost foreign investment, as part of an effort to build "a new open economic system" in the country. The government is planning to further streamline government administration, improve regulations and reduce business transaction costs to create a favourable business environment for foreign investment.

"In order to implement the plan, the government decided to further push forward its opening-up policy, with efforts to revise the Catalogue for the Guidance of Industries for Foreign Investment, and further open the service, manufacturing and mining sectors," the State Council said in a statement posted on its website.

In addition, the government encouraged foreign investment to take part in the implementation of China's innovation-driven development strategy and upgrades in the manufacturing sector, and encouraged foreign talent to start businesses in China, the statement said.

The “Made-in-China 2025” initiative also applies to foreign-invested enterprises, while encouraging them to pour more investment in high-end, intelligent and green manufacturing, the State Council circular said.

Foreign investment is also encouraged to take part in infrastructure construction in energy, transportation, water conservancy, and environmental protection through franchising, it added.

Meanwhile, the government called for creating a market environment of fair competition, which requires related departments to examine the business licenses and qualification applications of foreign-invested enterprises with the same standards and processing timetable as those for domestic-invested enterprises.

The intellectual property of foreign-invested enterprises should also be protected, according to the document.

The circular also called for more efforts to attract foreign investment, allowing local governments to form favourable policies to support foreign-invested projects that can facilitate employment, economic development and technology innovation, and reduce the costs for the investment and operation of foreign-invested enterprises.

The central, western and northeast regions will receive support to undertake industrial transformation of foreign investment. In addition, foreign-invested enterprises in supported industries in western regions will enjoy preferential tax policies.

The National Development and Reform Commission and the Ministry of Commerce will coordinate with related departments to strengthen supervision to ensure the implementation of these measures for foreign investment.

Source: fibre2fashion.com- Jan 18, 2017

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Brazilian cotton prices expected to strengthen in 2017

Brazilian cotton prices are expected to strengthen in 2017 from various factors including the smaller volume of harvested cotton from the 2015/16 crop and low ending stocks of the same crop. However, concentration of cotton with only a few agents, mainly trading companies may also bring uncertainties regarding cotton supply in the domestic market.

Quoting CONAB data, CEPEA said 2017 began with cotton inventories at only 162,900 tons, the lowest level since 2010/11 and although there is expected to be an increase in the 2016/17 crop, availability of cotton in the market is estimated at 1.6 million tons, a volume last observed in the 2009/10 season.

Cotton consumption is estimated at 750,000 tons in the 2016/17 season, up 4.2 per cent compared to the previous season, while exports are projected to drop 5.6 per cent as against 2015/16 and a steep 18.5 per cent vis-à-vis 2014/15.

A CONAB estimate also informs that there will be a decline of 5.5 per cent in 2016/17 cotton acreage to 902,300 hectares, which will be offset by a 16.1 per cent increase in productivity, which will result in 2016/17 cotton production expanding 9.7 per cent than in 2015/16.

Source: fibre2fashion.com - Jan 18, 2017

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Pakistan: Countervailing duty imposed on Indian fine cotton yarn

The National Tariff Commission (NTC) on Wednesday slapped provisional countervailing duty for four months on the import of Indian fine cotton yarn.

The duty, ranging from Rs26.89 to Rs55.8 a kilogram, will apply on the import of cotton having 55.5 or more counts originating or imported from India.

The commission opened a countervailing investigation on April 20, 2016 under Section 11 of the Countervailing Duties Act of 2015, after a complaint lodged by All Pakistan Textile Mills Association on behalf of the domestic industry.

The countervailing duty is an import tax imposed on certain goods to prevent dumping or counter export subsidies.

Under the investigation, three Indian producers of fine cotton yarn (carded or combed) were selected for determining subsidies on the basis of the information provided by them and the government of India.

The NTC concluded that the subsidised imports had hurt the domestic industry as they suppressed domestic prices.

Furthermore, the subsidised imports of fine cotton yarn also adversely affected domestic industry's market share, sales, profits and profitability, cash flows, inventories return on investment and its ability to raise capital.

The three India exports which were selected for investigation by the NTC were slapped with Rs26.89, 50.81 and 48.10 per kg provisional amount of countervailing duty, while a duty of Rs55.8 per kg has been imposed on other Indian exports of fine cotton yarn.

However, fine cotton yarn imported from countries other than India and cotton yarn having less than 55.5 counts will not be subjected to the provisional countervailing duty, the NTC's decision said.

The duty will not be levied on imports of the investigated product that are to be used as inputs in products destined solely for exports and are covered under any scheme exempting customs duty for exports under the Customs Act of 1969.

Source: dawn.com - Jan 19, 2017

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Thai delegation negotiating FTA with Pakistan

A high-level delegation from Thailand is negotiating free trade agreements (FTAs) with Pakistan. The agreement is likely to be signed within three months after the two sides finalise recommendations to be accommodated in the agreement.

In its sixth round of negotiations on FTA, which is currently in progress, the two sides discussed the text of agreement, tariff reduction, modality, request list by both the sides and under preparation offers list, a senior official of the Ministry of Commerce said on Wednesday.

The official said that Thailand has comparative advantage in around 1,000 commodities, mainly electrical and electronic appliances, machinery and components and automobiles and parts.

Pakistan also has relative advantages in some 684 commodities, including cotton yarn and woven textiles, readymade garments, leather products, surgical instruments and sports goods.

Negotiations for the free trade agreement were formally launched during the Joint Trade Committee (JTC) meeting between Pakistan and Thailand held on August 13, 2015 in Islamabad, he added.

The ministry has hired consultants to study the trade regimes and feasibility of the FTA between the two countries, the official said.

Talking about the FTA with China, he said Phase-II of the FTA with China is also due. He; however, added that Pakistan is desirous to have duty relaxation on 50 products before launching the Phase-II.

"We demanded unilateral relaxation on 50 different products for the next few years before signing the Phase-II of the FTA," the official said, adding that Pakistan wanted relaxation on these products to protect the local market and ensure competitiveness.

Once the Phase-II of the free trade agreement with China is launched, it would bound the two countries to have zero tariffs; however, at this stage, it would be difficult for the Pakistani economy to provide such concessions, he added.

Source: thenews.com.pk- Jan 19, 2017

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China still an important customer for U.S. cotton: Part I

China's more successful than expected sale of reserve stocks could be part of a scenario for improved U.S. cotton exports in 2017.

Looking at the numbers, there's no doubt China is not the buyer of U.S. cotton it once was.

But that doesn't mean the People's Republic is not an important customer, and it could become even more so in the months ahead, depending on what it does with its reserve stocks and plans to expand its spinning capacity.

Dr. Jody Campiche, vice president for economics and policy analysis for the National Cotton Council discussed some potential developments in China's situation during a presentation to the Cotton Economic Symposium at the NCC's Beltwide Cotton Conferences in Dallas.

Source: deltafarmpress.com - Jan 18, 2017

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Bangladesh: Export earnings to cross $60b in 2021: Tofail

Bangladesh's export earnings will cross 600 million US dollar ($ 60 billion) in five years.

The commerce minister said this while addressing as the chief guest opening ceremony of three international trade shows on RMG sourcing in Dhaka on Wednesday.

"Bangladesh's export earnings would go beyond US $ 60 billion in 2021," Tofail Ahmed said.

"Export earning was $ 14 billion when the Awami League assumed office this time and it reached $ 34.2 billion in the last fiscal year . . . if the trend is continued, the earning would exceed $ 60 billion in 2021," he added.

The three exhibitions - the 16th edition of GARMENTECH Bangladesh, the 8th edition of International Yarn & Fabrics Sourcing Fair, the 8th edition of GAP Expo - are being held simultaneously at International Convention City Bashundhara.

Addressing the inaugural programme, Tofail Ahmed mentioned that the government is offering 15 per cent cash incentive in furniture, 10 pc in plastic and 20 pc in agricultural products.

Stating that ready-made garment (RMG) is the main forex earner of Bangladesh as nearly 82 pc foreign currency come from this sector, he said RMG has reached this stage overcoming difficulties and it also has the potentiality to proceed long way.

“More thna 30 products of packaging and accessories sector are required for RMG and those were used to import from abroad. Now the packaging and accessories products are being exported meeting local demand and the export of this sector would stand at $ 18 billion from the existing $ 6.12 billion," he said.

Dhaka North City Corporation Mayor and apparel entrepreneur Annisul Huq, who attended the function as the special guest, said RMG in Bangladesh has made a history.

"In early 80s, all the accessories were imported from abroad, we had to make three months long plan, only to import carton. But now the sector is very well-off. The accessories and packaging industry is well established,” he added.

Zakaria Trade & Fair International, ASK Trade & Exhibitions Pvt Ltd and Bangladesh Garment Accessories & Packaging Manufacturers & Exporters Association (BGAPMEA) are organising the three events.

Md Abdul Kader Khan, President, BGAPMEA; Md Siiddiqur Rahman, President, BGMEA; S K Sur Chowdhury, Deputy Governor, Bangladesh Bank; Vice Chairman & CEO (Additional Secretary), Export Promotion Bureau; Md Shafiul Islam Mohiuddin, 1st Vice President, FBCCI; Mohammad Moazzem Hossain Moti, 2nd Vice President, BGAPMEA & Chairman, Standing Committee on Trade Fair; Dr. Nazneen Ahmed, Senior Research Fellow, BIDS; Tipu Sultan Bhuyian, CEO, Zakaria Trade & Fair

International, the organiser of the fair and Nandagopal K Director ASK Trade & Exhibitions Pvt Ltd , the co-organisers of the event, were also present at the inaugural ceremony.

BGMEA President Siddiqur Rahman said: “We now earn US $ 28 billion by exporting garments which was only ten thousand dollar in early 80s. It was possible due to the help of garments related accessories and packaging companies, he said, adding: "Garment industry has created huge employment in the country. Now almost 4.4 million people are working in this sector where 80pc of them are women.

He requested all to work together to make Bangladesh a middle income country by 2021.

Some 400 exhibitors from Bangladesh, China, India, Turkey, Sri Lanka, Italy, Singapore, Japan, Germany, USA, UK, Vietnam, Taiwan, Hong Kong, South Korea, Malaysia, Switzerland, Canada, Sweden, Finland, Spain, Thailand, France, and Colombia are participating in the exhibitions, being held to showcase the technology solutions related to productivity, safety, compliance, efficiency, value addition, product diversification, fabric sourcing and packaging solutions for the RMG sector.

Source: thefinancialexpress-bd.com - Jan 18, 2017

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NATIONAL NEWS

Slow exports to China, sales hit yarn makers' investments

A sharp decline in export to China and slowing purchases from local fabric makers might prompt cotton yarn manufacturers to slowdown investment in new capacity addition in the next five years.

A study by rating agency Care Ratings forecasts 3 million tonnes of new spindle capacity would be added between FY16 and FY21. But between FY12 and FY16, the sector added 7.3 million tonnes of manufacturing capacity. By the end of FY16, the manufacturing capacity in the country was 50 million spindles.

The rapid growth, however, led to overcapacity, with fresh investment drying up. “Capacity addition will slow down as the cotton yarn industry will be adding only about 3 million new spindles between FY16 and FY21 because of overcapacity, subdued demand and lower benefits from the central government after changes to the Technology Upgradation Fund Scheme (TUFS),” said Darshini Kansara, research analyst, Care Ratings.

Demonetisation-induced cash crunch has forced the closure of smaller spinning mills; slow purchase from China has also forced manufacturers to lower operating capacity.

Since 2014, Chinese policy of using its internal resources rather than imports, cotton yarn off-take from the northern neighbour has declined consistently.

“The Indian cotton yarn market is experiencing overcapacity. Some large manufacturers had initiated their expansion plans but have put them on now,” said Rachin Lamba, head, exports, Winsome Yarns.

After declining by 10 per cent in FY12, cotton yarn production increased more than 14 per cent year-on-year to 3,583 million kg in 2012-13. In 2013-14, production increased by about 10 per cent to 3,928 million kg.

High cotton prices and easy availability of manmade fibres at competitive rates led to the slower growth of production of cotton yarn.

Production grew by marginal 3-3.5 per cent in FY15 and FY16. According to the Office of Textile Commissioner, cotton yarn production was 4,138 million kg in 2015-16.

By contrast, cotton yarn production is estimated to fall by about 5-7 per cent to 3,936 million kg in FY17 on the back of sluggish derived (domestic yarn demand) demand with substitution taking place from manmade fibre as well as distressed direct yarn exports due to lower demand from China.

Yarn demand in other export markets including Vietnam, Bangladesh and Pakistan is likely to remain healthy.

While cotton yarn exports to China are estimated to remain sluggish, the surge in shipment to other destinations may, by and large, compensate for it. Data compiled by the International Cotton Advisory Council (ICAC) estimates India's cotton yarn exports at 1,250 million kg for FY17 as against 1,309 million kg in FY16.

Cotton yarn prices remained stable at Rs 217 per kg in December 2016 because of weak domestic demand on account of the demonetisation drive. However, the export demand of cotton yarn has been improving steadily.

Source: business-standard.com- Jan 19, 2017

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Apparel exporters to be reimbursed for state levies

Apparel and garment exporters will be reimbursed from next week onwards for the state levies paid by them, with the Textiles Ministry securing Rs 500 crore from the Finance Ministry in this regard, a top official said.

In June last year, the government had approved a Rs 6,000 crore special package for textiles and apparel sector to create one crore new jobs in 3 years, attracting investments of $11 billion and generating $30 billion in exports.

The measures approved included additional incentives for duty drawback scheme for garments, flexibility in labour laws to increase productivity as well as tax and production incentives for job creation in garment manufacturing.

"Most of the things which were a part of the package have been implemented and we have also got Rs 500 crore from Ministry of Finance for the ROSL (Rebate of State Levies) scheme, that is the reimbursement of state levies

"Many of the exporters have already given their claims to the Customs department. Very soon these reimbursements will start, in fact from next week, you will start getting your money," Textiles Secretary Rashmi Verma said.

Addressing the inauguration ceremony of the India International Garment Fair (IIGF) here, she urged the garment manufacturers to augment their capacities for boosting job creation and leverage the space ceded by China so that India emerges as a key player in the international market and a major sourcing hub for global brands.

"We hope that Indian garment manufacturers will use this package to augment their capacity to set up new units so that more investment comes and more jobs are generated and India emerges as a key player in the international market.

"China currently is ceding space, it is a huge opportunity and I implore upon all our exporters to take advantage of this opportunity," Verma said.

She pointed out that the special package goes a long way in developing and having a level playing field for our exporters in key markets like the US and the EU, as they were earlier working with the handicap of 9.5 per cent duty which was being levied on their products because India does not have an FTA with EU countries.

However, Apparel Export Promotion Council Chairman Ashok G Rajani said: "India's RMG (ready-made garments) exports to World during April-December of 2016-17 witnessed a decline of 0.2 per cent compared to the same period in the previous financial year.

"The market sentiments have been affected due to delays in roll out of special package which was announced for the apparel sector in June 2016 and stagnation in the Europe and US markets".

The IIGF is the country's largest garment show in South Asia covering apparel and fashion accessories.

The three-day fair provides a platform to overseas garment buyers to source products and forge business relationships with Indian players in the apparel and fashion accessories domain.

Source: economictimes.com – Jan 18, 2017

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Cotton price rally may continue on tight supply

Cotton prices may touch Rs 43,000 per candy (a candy of 355 kg) by end of January on account of short supply and improved exports as well as demand from domestic mills. The commodity prices have already gone over 10% to Rs 41,500-42,000 a candy in past two weeks.

According to the industry, daily arrival of cotton, which should have been more than 225,000 bales (a bale of 170 Kg), is about 150,000 bales. Everyone is trying to meet their export shipment deadlines and domestic demand and prices remain firm. Traders and ginners said that farmers want cash rather than cheques and that's why they are holding the crop.

"Cotton prices have gone up due to short arrival and good demand from domestic mills and exporters. It may continue to increase further as there is no hope for rise in supply in near future and pipeline is still dry.

Farmers are not aggressive to bring raw cotton or kapas in the mandis across India due to cash shortage," said Bhagwan Bansal, president, Punjab Cotton Ginners Association.

Kapas prices are ruling in a range of Rs 1,100-1,160 per 20 kg.

According to Bansal, cotton prices may go up to Rs 43,000 per candy in the next one month if supply doesn't improve.

Exporters have no choice but to buy at any cost as they have to fulfil the prior commitments. According to the exporters, they have not made forward contract for February and March in this season, because of the constant rise in the cotton prices.

"Before October last year, several exporters have booked the orders for November and December but as arrival is not sufficient, exporters have to buy at any price. Though, looking to the current supply scenario, exporters are not booking new orders for February and March," said Arvind Pan, managing director, Jaydeep Cotton fibers Limited.

However, according to some industry persons, some correction is possible at the current price level. Yarn mills have already started buying according to their requirement and avoid bulk buying.

J Thulasidharan, president of Indian Cotton Federation, "Domestic mills want to buy but not at this price level. Currently, demand from yarn mills is as per requirement.

Further improvement in cotton price may reduce demand. Prices should go down from current level otherwise overall demand may get affected."

Source: business-standard.com- Jan 18, 2017

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Union Budget: Textile sector expects excise duty revisions

Excise duty on man-made fibres should be reduced to bring it on par with that of cotton in this year's Union Budget, said a top official of a leading textile company of India. The industry has been demanding a level-playing field in the industry with respect to cotton for a long time now and some rationalisation is expected from Budget 2017-18.

"A long standing demand of the industry, especially the man-made fibre sector, is about the excise duty reduction.

Fibres like nylon and polyester have an excise duty of 12.5 per cent, while for other yarns like cotton, the excise duty is negligible. The industry has been demanding a level-playing field vis-à-vis cotton. So, we are looking for some rationalisation in excise duty in this year's Union Budget," Shailendra Pandey, joint president – sales & marketing, Aditya Birla Nuvo Ltd (Indian Rayon) told Fibre2Fashion.

Another leading manufacturer and exporter of home textiles and yarns has urged the government to consider subsiding excise duty by more than 20 per cent on handicraft and handloom products that are to be exported.

"The Union Budget of this year, as far as the textile sector is concerned, should be well focused for giving more than 20 per cent excise duty subsidy on handicrafts and handloom sector goods destined for export to the US and east European countries," Rajendra Singh Cheema, general manager, EHS and compliance officer, Trident Group told F2F.

Cheema also said that the government should consider a long term plan to boost exports from India."Also, make long term planning to increase textile export form India to go ahead of China by the year 2020," added Cheema.

Pandey also said that the textile industry is looking at the Union Budget from the point of view of GST too. "How the fabric will be brought into the GST chain is an important question as fabric in the unorganised sector is not covered under excise," noted Pandey.

Source: fibre2fashion.com – Jan 19, 2017

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Mumbai will soon get a textile museum: Maharashtra govt

A textile museum will soon be established in Mumbai over an area of 10 acres, said the Maharashtra state government in a recent notification. The state government also stated in the notification that it has sanctioned six structures in India United Mill nos. 2 and 3 as heritage structures and the entire plot of the mill as a heritage precinct.

The municipal corporation of Greater Mumbai had requested the government to issue suitable directions to permit the land under the heritage structures proposed to be retained for textile museum as part of recreation ground (RG) share and to develop the textile museum at the site, according to the notification.

The government agreed to the request and said, "The land under the heritage structures is proposed to be retained for textile museum as part of recreation ground."

"The land under the heritage structures to be retained for textile museum, shall be treated as part of the RG share of MCGM as a special case and the municipal commissioner may permit use of these heritage structures for the purpose of textile museum and ancillary activities like exhibition of textile related activities, fabrics, machinery, processes, fashion shows and other recreational activities," said the notification.

Source: fibre2fashion.com- Jan 18, 2017

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Technotex 2017 expo to be held on 12-14 April in Mumbai

Ms. Smriti Zubin Irani, Minister of Textiles, Government of India, yesterday underlined the need to address the issue of lack of manpower in the technical textiles for which industry needed to first define the requisite skills. After defining the skills, the task would be to bridge the gap in which the industry would be supported adequately by the Government of India.

Addressing a curtain raiser of TECHNOTEX-2017, Ms. Irani assured that the government would consistently and constantly engage with the industry to create standards for the technical textiles sector.

She added that the industry needs to come forward and utilize platforms such as TECHNOTEX for convergence of efforts.

TECHNOTEX 2017 is India's premier show on technical textiles which will be organized by FICCI jointly with the Ministry of Textiles, Government of India. The sixth edition of the international exhibition, conference and seminars will be held from April 12 to 14, 2017 in Bombay Exhibition Centre, Goregaon, Mumbai.

The event will showcase products from various sub-sectors of technical textiles such as Indutech, Meditech, Mobiltech, Ecotech, Geotech, Packtech, Protech, Sportetch, Agrotech, Clothtech, technical textiles equipment and machinery, raw materials and textile manufacturing services. It provides a common platform for interaction amongst stakeholders from across the global technical textile value chain. TECHNOTEX exemplifies the immense potential for trade and investment between India and foreign countries in technical textile sector.

TECHNOTEX is expected to draw in more than 200 exhibitors, looking to showcase a varied collection of technical textiles from the various sub-sectors of the technical textiles industry. With participation from countries like Korea, Switzerland, Japan, U.S.A., Germany, Sweden, Belgium, the U.K, Luxembourg, Austria, Italy and many more, the event will also have country pavilions of Taiwan and China. A gateway to the technical textile arena, the event bridges the gap between the buyer and seller by facilitating B2B (Business-to-Business) and G2B (Government-to-Business) meetings.

Ms. Irani said that agrotech and geo textiles must be represented at TECHNOTEX as the sectors have great untapped potential. She suggested that TECHNOTEX stakeholders should engage with agri institutes and urban local bodies to create awareness amongst them regarding the advantages of agrotech such as less consumption of water and better productivity and of geo textiles such as environment-friendly sustainable growth, respectively.

On the occasion, Ms. Irani released the Standards on Technical Textiles and brochure of the event. The release of the standards marks a vital step towards the ministry's efforts of standardization of the technical textile products in India.

Ms. Alka Panda, Director General, Bureau of Indian Standards (BIS), said that BIS has constituted specialized committees to expedite the process of developing standards. She urged the industry to actively participate with BIS and help in developing standards. BIS was looking forward to industry's suggestions on standardization as this would spur innovations.

Dr. Kavita Gupta, Textile Commissioner, Office of the Textile Commissioner, Ministry of Textiles, Government of India, in her presentation said that there was a need for increased involvement of user institutions; development of indigenous specially fibers; development of standards; focus on research and development and encouragement of JVs and attracting investment in manufacturing technical textiles machinery.

Mr. Shishir Jaipuria, Chairman, FICCI Technical Textiles Committee and Managing Director, Ginni Filaments, briefed the industry about the various initiatives of FICCI for the technical textile industry and the progress of TECHNOTEX 2017. He spoke about the future and development of technical textile industry in India and emphasized on the importance of accelerating usage and promoting investments pertaining to the growth of the technical textile industry, which is referred to as the sunrise sector. He said that the sector was in need of skilled manpower, standards and regulations for transparent growth.

In his theme perspective, Mr. Mohan Kavrie, Managing Director, Supreme Group, said that while the government was trying to promote this sector, but the industry was lagging behind. There was a need for entrepreneurs to step forward and look for innovative fabrics to promote use of technical textiles for daily use.

A short film on Indian Technical Textile Industry and TECHNOTEX 2016 was screened for the benefit of the stakeholders.

Also, present were Mr. Puneet Agrawal, Joint Secretary, Ministry of Textiles, Government of India and Mr. Vinay Mathur, Deputy Secretary General, FICCI.

Source: yarnsandfibers.com- Jan 18, 2017

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