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The Cotton Textiles Export Promotion Council [TEXPROCIL]
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IBTEX No. 256 of 2016 Dec 20, 2016

USD 67.86 | EUR 70.54 | GBP 84.12 | JPY 0.58

Cotton Market Update (19-12-2016)

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

Rs./Bale	Rs./Candy	USD Cent/lb
18453	38600	**72.64**

Domestic Futures Price (Ex. Gin), December

Rs./Bale	Rs./Candy	USD Cent/lb
19270	40308	**75.85**

International Futures Price

NY ICE USD Cents/lb (March 2017)	71.32
ZCE Yuan/MT (January 2017)	15,570
ZCE Cotton: USD Cents/lb	**86.43**
Cotlook A Index – Physical	**80.45**

Cotton & currency guide: Sugar in the last week traded positive. The March 17 contract at NCDEX ended the week at Rs. 3631 per quintal up by Rs. 44 from the previous week's close. Since December is about to expire the most active contract at NCDEX is now March 17 and believe price have rebounded from the low of Rs. 3470 to Rs. 3650 in last three week amid lower level buying and steady to higher supply. We believe the recent rally in price is expected to halt and possibly turn bearish. With the good production and higher crushing the counter is set to turn bearish.

As per latest data, sugar production is reported at 27.41 lakh tonnes until November 30, 2016 in the current sugar season 2016 -17 compared to 23.35 lakh tonnes of sugar during the same period previous year. In the meanwhile as on 30, November 2015, 340 sugar mills were crushing sugarcane in India while 365 sugar mills were crushing sugarcane as on November 30, 2016.

Further from the demand front Indian sugar exports rose by 66% as the country exported 0.99 lakh tonnes of sugar in November, 2016 compared to 0.60 lakh tonnes of exports made in October, 2016. On the other hand, the country imported 2.90 lakh tonnes of sugar (mainly raw) in November compared to 3.76 lakh tonnes of imports in October, 2016.

From the global front the ICE raw sugar has ended the week lower at 18.22 cents/lb. We believe with the supply increasing from Brazil and expectation of lesser global deficit is keeping the counter under stress.

Overall we expect sugar market to remain sideways and selling could be emerged from higher levels. The trading range for sugar in India is expected to be in the range of Rs. 3650 to Rs. 3600 per quintal for March 2017 contract at NCDEX

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

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INTERNATIONAL NEWS

China Textile Innovation Conference explores road ahead

China Textile Innovation Conference 2016, an annual summit of industry innovation, summarised the achievements of the industry and explored the new advantages in development in order to grasp the strategic opportunity of the new round of industrial changes. Two innovation forums and an award ceremony were also held as part of the conference.

The conference themed 'New Opportunity, New Advantages, New Vitality – Stepping Towards A Textile Power' was recently held in Beijing. In his keynote speech 'To construct a new future for China's textile and apparel industry', China National Textile and Apparel Council (CNTAC) president Sun Ruizhe said that in spite of problems to global economic development, China remains the most important growth engine for world economic development.

Despite flat growth rate and various challenges, China's textile industry continues to maintain a stable position in national economy, and enjoys growing shares in global textile and garment trade, Ruizhe added.

According to him, China's textile industry is transforming from a traditional industry to scientific and technological industry, green industry, and fashion industry during the 13th Five-Year Programme period.

He proposed that the Chinese textile industry needs to focus on innovative development based on technological innovation, refined development in the direction of intelligent manufacturing, inclusive development with social responsibility as the focus, fashion development with cultural self-confidence as the goal, integrated development with industry and financial integration as the starting point, and linkage development with system construction as the core, to build a new future for the industry.

"This (The 13th Five-Year Programme) is a golden period of China's garment industry, when the background, characteristics, and development concept are completely different from the past, but the industry will be fully re-oriented to the advantages of restructuring and upgrading accompanied with increasingly enhanced technological creativity, cultural creativity, and service creativity.

In addition, the brand building, cultural construction and fashion right to speak will also see an overall increase, promoting the whole industry towards a medium- to high-end development," said Chen Dapeng, vice president of CNTAC and executive vice president of China National Garment Association.

Li Lingshen, vice president of CNTAC and president of China Nonwovens & Industrial Textiles Association, gave a detailed introduction to the breakthroughs and outstanding contributions that China's technical textiles industry had made in the development of new products during the 12th Five-Year Programme period.

He harped on innovation-driven development of the industry in such fields as the strategic new materials, environmental protection, health, emergency and public safety, infrastructure construction and military-civilian integration.

In his speech, Yang Zhaohua, vice president of CNTAC and executive vice president of China Home Textile Association, focused on the transformed new home textiles in the 13th Five-Year Programme period, which should be centred on consumers and enhance the supply-front structural reform for all-round promotion of brand strategy.

"Over the past two years, China's home textile industry maintained a continuously stable growth. Looking forward to the coming 2017, the industry is required to focus on the development programme for the industry during the 13th Five-Year Programme period in order to promote home textile industry to achieve new transformation, new development and new results."

At the event, the 2016 CNTAC Sustainable Textile Product Development -- Excellent Efficiency Award, 2016 CNTAC Product Development Contribution Award / Product Development Promotion Award, and CNTAC Product Development Outstanding Contribution Award during the 12th Five-Year Programme period were presented.

Another highlight of the conference were the two innovation forums—'product competitiveness and sustainable innovation' and 'scientific and technological progress and fashion economy'.

Source: fibre2fashion.com– Dec 19, 2016

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USA: What To Expect From A Trump Administration Trade Policy: Revisiting NAFTA

In a recent alert, we discussed several steps that President-elect Trump may take to shake up US trade policy. In this alert, we discuss one of his priority initiatives: the pledge to renegotiate, or withdraw from, the North American Free Trade Agreement (NAFTA) to get a better deal for US workers.

If the Trump Administration follows through on this pledge, any one of a number of scenarios may emerge—from an expanded and modernized agreement, implying offensive opportunities for companies to formulate a wish-list agenda for the negotiations, to substantial supply chain and commercial disruption, implying defensive concerns on the part of affected businesses. Given the range of potential outcomes, companies should proactively review their NAFTA positioning and become embedded in the negotiating process early on in order to further and/or safeguard their commercial interests.

Pledges to renegotiate NAFTA are a recurring theme in presidential campaigns. For example, as a presidential candidate in the 2008 primary season, Barack Obama promised to use the "hammer of a potential opt-out" as leverage to renegotiate the agreement's terms.

The Obama Administration shelved that idea after the election as trade policy took a back seat to the financial crisis and the push for Obamacare. But there are signs that this time may be different, as the president-elect has kept trade issues at the forefront in the post-election period.

If the Trump Administration decides to seek renegotiation with Canada and Mexico, revisions and updates to NAFTA could be numerous. In one possible scenario, the changes could benefit a broad array of US companies by substantially updating and expanding its reach.[1] For example:

Intellectual Property (IP): NAFTA's IP provisions are only slightly stronger than those adopted by all World Trade Organization members in 1995.

A renegotiated NAFTA could include more robust IP protections, such as a minimum exclusivity period for biologics, which is 12 years under US law but shorter under Canadian and Mexican law.[2] Other possible changes include digital rights management (i.e., to prevent circumvention of IP rights with respect to digital products), and limitations and exceptions for copyright (i.e., to protect news reporting, scholarship, research, etc.).

Digital Trade: The Internet was in its infancy when NAFTA was signed in 1992, and NAFTA does not include a chapter on the digital economy. Potentially, a renegotiated NAFTA could protect the free flow of information across borders, ban requirements that force US businesses to locate ICT infrastructure abroad, and prohibit foreign governments from requiring disclosure of source code and encryption keys.

This would help protect innovative US producers of digital goods and services from unfair foreign practices and would set a high bar for other future negotiations. It is notable that Mexico was a strong ally of the United States in the negotiation of the electronic commerce chapter in the Trans-Pacific Partnership (TPP).

Anti-Corruption and Rule of Law: Currently, NAFTA does not contain any provisions on anti-corruption and rule of law. A renegotiated NAFTA could include provisions on good governance, requiring the parties to effectively enforce anticorruption laws and regulations, and also imposing transparency-related requirements.

However, a renegotiated NAFTA could also negatively impact US companies, especially those with international supply chains or operations outside of the United States.[3] For example:

Rules of Origin*:* Like other US free trade agreements, NAFTA includes complicated "rules of origin" to determine whether a product imported from Canada or Mexico qualifies for duty-free treatment in the United States. The Trump Administration may seek to tighten the NAFTA rules of origin by withdrawing duty-free treatment from goods made with inputs from third countries, such as China, which account for a significant share of the total value of the finished product. The potential for such changes should be of particular concern to the auto industry and other sectors with substantial Mexican or Canadian production facilities that use third-country inputs.

***Investor-State Dispute Settlement**:* NAFTA was one of the first free trade agreements to include investor-state dispute settlement (ISDS) provisions, which have since become a core part of the US trade template—and one of the most controversial. Although Republican administrations have typically supported ISDS, the president-elect criticized the mechanism during the campaign. Thus, it is possible that the Trump Administration will consider jettisoning ISDS from NAFTA. This would eliminate an important safeguard for US companies with investments in Canada and Mexico—each of which may welcome the step, as they have both been the target of high-profile ISDS actions in the past.

***New Provisions Targeting "Outsourced" Production**:* The president-elect has threatened to impose additional taxes on US companies that "outsource" US production to foreign countries and then export their products back to the United States. It is unclear whether the Trump Administration plans to use trade policy, tax policy, or the bully pulpit to accomplish this objective. However, to the extent that this policy is advanced via NAFTA, the impact on businesses could be profound.

Finally, some changes to NAFTA could be important for the effect that they have on future free trade agreements negotiated with countries outside North America, or in the event that an updated NAFTA is subsequently expanded to include additional parties. For example:

State-Owned Enterprises (SOEs): NAFTA's provisions on SOEs are limited and do not reflect the full range of concerns about discriminatory preferences for SOEs that have come to the fore since NAFTA was signed. TPP would have included robust protections against unfair competition from SOEs, including provisions to combat subsidies to SOE service suppliers. The Trump Administration could push to add an SOE chapter to NAFTA with even stronger protections than those in TPP, given the absence from the NAFTA negotiations of parties with significant defensive concerns (unlike TPP).

Currency Manipulation: The president-elect's pledge to instruct the Secretary of the Treasury to declare China a currency manipulator reflects the outsize role that currency has played in US trade policy debates in recent years. Indeed, the lack of a sufficiently strong currency provision was one of the principal complaints of many TPP opponents.

It is possible that Canada and Mexico would welcome the opportunity to add a strong currency provision to NAFTA, both for domestic political reasons and to establish a strong precedent for future negotiations with countries that are believed to manipulate their currencies to promote exports.

Several of these changes (e.g., ISDS, currency manipulation, provisions targeting "outsourced" production) would depart from traditional Republican trade orthodoxy, and congressional Republicans may not support them—although they would likely enjoy strong support from traditional trade skeptics in the Democratic Party. The fact that these ideas would even be on the table, however, is a reflection of the president-elect's unorthodox campaign and its unsettling effects on trade politics.

Canada and Mexico are undoubtedly already preparing their own demands for any negotiation, which may prove unacceptable to the United States. Mexico, for example, may push to expand NAFTA's "temporary entry" provisions to expand the availability of visas for Mexican and Canadian service suppliers in the US market—a non-starter in US trade politics since the completion of the Chile and Singapore FTAs in 2003.

But if the three countries view the exercise as an opportunity to modernize NAFTA and increase the competiveness of the North American market, the outcome could be an improved and greatly expanded agreement, which could serve as a template for future FTAs with other countries.

Please contact us if you have any questions about how your company can take a strategic approach to a renegotiation of NAFTA.

Source: mondaq.com– Dec 19, 2016

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Pakistan: Govt will not allow cotton import duty-free: Bosan

Cotton research institutes and the cotton crop should be under supervision of the Ministry of National Food Security and Research to achieve the annual production target of 20 million bales, said National Food Security and Research Minister Sikandar Hayat Khan Bosan.

Speaking at a meeting of the Multan Chamber of Commerce and Industry (MCCI), chaired by its president Khawaja Jalaluddin Roomi, Bosan said, “We are trying to cut the cost of agricultural production to bring prices of grain and other commodities to the level of international market.”

Referring to the Plant Breeders Rights Bill, he said the document could not be approved for the past 13 years.

Bosan said the mango export target of 100,000 tons had already been achieved and now more than 300,000 tons of kinnow would be exported this year. He revealed plans to cultivate soya bean in Bahawalpur, Potohar, K-P and other areas.

“No duty-free cotton import will be permitted until all locally-produced cotton is sold completely,” he declared.

He said they were aware of the problems faced by the farmers growing cotton on a small area and safeguarding their interests was among key priorities of the government.

He said he was an advocate of farmer rights, but not an enemy of textile millers, adding once local stock was disposed of cotton imports could be made. “Farmers have suffered huge losses since last year; this year they brought 21% less area under cotton crop and production fell 40%.”

The minister expressed optimism that the cotton area would be increased next year because farmers had earned profit in the current season due to better production and favourable weather.

Talking about advances made in agricultural research, the minister expressed hope that research institutes would be developed over time.

Former MCCI president Farid Mughis Sheikh said there was no justification for free trade between India and Pakistan when India was plotting to dismember Pakistan. He suggested imposing a complete ban on Indian products like auto spare parts, cotton yarn, etc.

MCCI President Khawaja Jalaluddin Roomi, in his welcome address, urged the minister to get a special development package approved for Multan.

He demanded lifting the ban on cotton import immediately because there was a gap of four million bales in demand and supply.

Source: tribune.com.pk – Dec 20, 2016

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Pakistan: Cotton arrival at ginneries cross 10 mn bales: PCGA

More than 10.147 million bales of cotton have arrived in 2016-17 season at various ginneries in Pakistan, as on December 15, 2016, showing an increase of 12.33 per cent over arrival of 9.034 million bales during the corresponding period of last season. This season's arrival so far has already crossed previous season's total arrival of 9.768 million bales.

In the major cotton producing province of Punjab, total cotton arrivals increased by 19.38 per cent year-on-year to 6.444 million bales, according to the fortnightly report on cotton arrivals, prepared by the Pakistan Cotton Ginners' Association (PCGA), in joint cooperation with All Pakistan Textile Mills Association (APTMA) and the Karachi Cotton Association (KCA).

While in Sindh province, cotton arrivals increased 1.86 per cent to 3.703 million bales as on December 15 during the ongoing cotton season 2016-17.

Of the total arrival of 10.147 million bales at various ginneries in Pakistan, 9.678 million bales were pressed by ginners, of which 8.646 million bales were sold, leaving an unsold stock of 1.032 million bales with the ginners, as on December 15, according to the data.

The textile mills in Pakistan consumed 8.451 million bales, while another 198,844 bales of cotton were sold to exporters, according to the data.

The Trading Corporation of Pakistan (TCP) has not procured any bale of cotton so far this season.

As of December 15, a total of 359 ginning factories were operational in Punjab compared to 406 ginneries that were operational during the same time last season. Similarly, 161 ginning units were operational in the Sindh region, compared to 174 operating units during the corresponding period last year.

In 2015-16 cotton season, Pakistan's cotton output decreased by 34.28 per cent to 9.768 million bales, compared to the previous season's production of 14.871 million bales.

Source: fibre2fashion.com– Dec 19, 2016

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US apparel sector to see steady growth in 2017: Moody's

Apparel industries in the US will experience steady performance in the year 2017, according to a research. It is expected that apparel sales will increase by 6-8 per cent due to direct-to-consumer selling and exposure in international market. Foreign exchange and excess inventory will help in acceleration of the sector's operating profit by 5-7 per cent.

The outlook for the US retail industry in the year ahead is stable, with operating income for the sector growing between 4 per cent and 5 per cent, and sales in the range between 3-4 per cent, according to the study carried out by Moody's Investors Service.

The research also states that a majority of the apparel sellers will continue to emphasise on top-line, organic growth through direct-to-consumer channels, buoyed in part by the significant international expansion opportunities for many brands.

Six of the retail industry's 13 sub-sectors' operating income growth will exceed by 5 per cent, led by home improvement, specialty and dollar stores. The performance of broader industry will continue to be tempered by warehouses, apparel and footwear sellers, department stores and office supply stores.

"Dollar stores will be among the top-performers in 2017, as cash-strapped consumers look to save money on multiple fronts," said Mickey Chadha, Moody's vice president -- Senior Credit Officer.

"Home improvement stores such as Home Depot and Lowe's will benefit from the continuing robust recovery of the housing market, and the subsiding deflationary pressure on supermarkets in 2017 should result in the sub-sector outperforming the broader retail industry."

However, it is also expected that the apparel and footwear sellers will be squeezed as consumers will continue to spend more on healthcare, rent, home-related products, electronics and cars, said the report.

Source: fibre2fashion.com– Dec 19, 2016

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China smog brings halt at some cotton mills in Hebei

Cotton mills in two provinces in China have suspended output as part of measures to curb smog that has blanketed the north of the country in the past few days, triggering official pollution alerts, according to an industry website.

Mills have closed in Hebei province and parts of Shandong, according to a report by Cncotton.com, a government-backed trade website. The report didn't say how many mills are affected, nor give details on the amount of production involved.

The report said cotton processing in parts of Hebei, one of the nation's most polluted provinces, may be affected until the end of December.

Source: timesofindia.com – Dec 19, 2016

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NATIONAL NEWS

'GST will remove disparity in cotton, MMF excise duty'

The implementation of the Goods and Services Tax (GST), now likely in second half of next year, will create a level playing field by removing the disparity of excise duty between cotton and man-made fibre (MMF) sectors, according to an expert. This will spur growth in the country's textile sector, which contributed nearly 15 per cent to exports in 2015-16.

"It (GST) will remove the current disparity of excise duty between cotton and man-made fibre. This will also spur growth and the country is expected to again surpass Bangladesh and Vietnam in garment exports in the next three years," said S Kannan, CFO, Brands and Retail, Arvind Lifestyle Brands.

He was addressing the Confederation of Indian Industry (CII) annual CFO Conclave on the topic 'India Competitiveness: Growth Opportunities and Challenges' in Bengaluru.

He said chief finance officers (CFO) must prepare their organisations for regulatory changes that would come in with the implementation of the GST. According to him, "GST, though a huge opportunity for companies, can be a minefield as well if an organisation is not equipped to implement it".

Murali Ganesh, CFO, ITC Foods, said the "GST will lead to a paperless taxation process that will reduce errors and bring in transparency, widening the scope of the tax base."

Last fiscal, India's textile and apparel exports touched $40 billion and the industry is aiming to reach $223 billion in export value by 2021.

Source: fibre2fashion.com - Dec 19, 2016

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Yarn, Fabric & Accessories (YFA) 2016 witnesses 15% rise in visitors

Yarn, Fabric & Accessories (YFA) trade show 2016 that was recently held in Delhi was attended by over 8,598 buyers, recording a 15 per cent rise as compared to its 2015 edition. Close to 148 exhibitors participated in the show as against 100 last year. The highlights of the exhibition were fashion shows held on all four days of the trade event.

Some participating companies also launched their innovative and latest developments in value-added textile products like speciality fibres, multifunctional yarns, mélange yarns, spandex yarn, embroidery yarn, bamboo fabrics, modal fabrics and several unique garment accessories.

Buyers came from various textile and apparel hubs like Delhi & NCR, Ludhiana, Panipat, Bhilwara, Bangalore, Chennai, Mumbai, Ahmedabad, Kolkata, Jaipur, Kanpur, Meerut, Banaras, Surat, Tirupur and Northern India, which includes Punjab and Haryana. There were also foreign buyers from Syria, Sri Lanka, Bangladesh, Brazil, Dubai, Argentina, Uzbekistan, Turkey, Korea and Iran.

A Chinese pavilion was also set up for 36 Chinese exhibitors, who showcased innovative yarns, fabrics and garment accessories.

A textile conference in association with TIT-Bhiwani and the Textile Association of India (TAI) Delhi was also arranged on the sidelines of day-1 of the show. Titoba, an alumnus meet, with a gathering of more than 400 top industry professionals, in association with TIT Bhiwani and TAI was also organised.

The exhibitor list included the who's who of the Indian and global textile industry from the textile value-chain beginning from fibres till garment accessories.

Visitors of YFA 2016 included decision makers of renowned buying houses and export houses in addition to visitors from composite mills, spinning mills, knitters, weavers, yarn agents, trading houses, designers and retail chains.

“We are happy and satisfied with our participation at the YFA 2016 show. We have seen a steady stream of buyers visiting our stall, not just from Delhi or North India, but also other parts of India, which includes, buying houses, exporters, domestic brands etc.,” said Pinkesh Jain, CMD of Everflow Petrofils.

“Overall, we are satisfied and happy with our presence at the YFA show as we have had a good number of buyers visiting our stall. Our fibre products have been well received by buyers and most of those who visited our stall, were genuine and technically knowledgeable visitors,” said Takeshi Iitaka, Manager (Cupro Sales) at Asahi Kasei Corporation, Japan.

“We thank all the participating exhibitors as well as those who visited the show for making this second edition of YFA extremely successful. The 2016 edition saw participation of 148 exhibitors as against 100 in 2015. The show was visited by 8,598 buyers, up by 15 per cent compared to those came in 2015, which is a considerable high number at a time, when there is a currency crunch,” said organisers Abhishek Sharma and Ankur Goel from Vision Communications.

Source: fibre2fashion.com- Dec 19, 2016

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Demonetization: Textiles Ministry helps open 5 lakh bank accounts

The Textiles Ministry said it has helped open five lakh bank accounts for associated workers in the industry in three weeks in the wake of demonetization.

"In the wake of demonetization, the textile ministry has helped open five lakh bank accounts for associated workers in the industry in a period of three weeks. We are also ensuring that the workers are trained to digitally use their bank accounts," Textiles Minister Smriti Irani said.

She was speaking at the Apparel Export Promotion Council's (AEPC) award function.

Quoting Irani, AEPC said that to promote exports, there should an award for the best player in emerging market in the next season.

Industry should also head towards sustainable garments from an international perspective; and should look for innovation either in marketing or technology, she said.

The minister presented the awards comprising twenty one categories.

Garment sector accounted for more than 47% in the total textile exports from India. India exported worth of $10.96 billion garments during the April-November period of this fiscal.

Source: dnaindia.com - Dec 20, 2016

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Buyers from all over the world rushing to India for IIGF

Buyers from all over the world are rushing to India this January for the 58th edition of The India International garment fair (IIGF) an initiative of the Ministry of Textiles for promoting international trade through its apparel trade body Apparel Export Promotion Council (AEPC) to be held in the capital city of New Delhi.

The event is aimed at helping exporters from India showcase their latest designs and apparels for the upcoming season, the flagship event of AEPC. AEPC is an organization which has been building bridges between global buyers and suppliers from India for the last 3 decades.

With the dynamics of the global garment and apparel industry changing considerably in the last couple of years, the industry is shifting to India, the world's most diversified clothing exporter – A Buyers Paradise!

India's rich heritage of fabrics mixed with its artisans offers buyers more than their imagination can imagine. Indian factories can also produce small runs and offer a variety of embellishments giving more value the customer.

By buying apparel and fashion products from India, you not only contribute to the enhancement of Make in India Textile Industry, but also to the creation and maintenance of millions of livelihoods, leading to further diversification and vitality in developing country, states Mr. Ashok G. Rajani, Chairman, AEPC.

The organization also provides assistance and service, not only to its 8800 Indian Apparel exporter members, but, also to its 1000+ visiting buyers from 67 countries.

This edition, AEPC has partnered with virtual fashion trade show platform, Fashionablyin to create a virtual buyers lounge. Fashionablyin aims to make buyer trips more efficient by engaging them with the right suppliers. The company will match make buyers with suppliers by planning meetings in advance and facilitating discussions with suppliers.

The Fashionablyin Virtual Buyers Lounge will be great place for buyers and suppliers to connect and build relationships in a friendly and casual environment, stated Tarun Thadani, founder of the London based company – Fashionablyin.com

APEC will be offering complimentary stay and travel for eligible buyers who register before the New Year at the IIGF event.

The IIGF event is scheduled from 18-20 January, 2017 at Pragati Maidan in the capital city of New Delhi.

Source: yarnsandfibers.com - Dec 19, 2016

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Apparel makers advance end-of-season sales

Leading textiles manufacturers plan to recover over half of their business in the next six weeks by advancing end-of-season sales.

Apparel and home textiles manufacturers have lost 30-50 per cent of their business since demonetisation. Dealing largely in cash, unorganised sector players have lost more. Organised sector players, which witnessed a sharp decline in sales, have advanced their yearly stock-clearing sales by five weeks.

"We see improved sentiment in the New Year. The plan is to be ahead on year-end sales," said Nagesh Rajanna, chief executive officer, Bombay Dyeing.

The company is offering up to 40 per cent discount on its products.

Apparel and home textile manufacturers normally announce sales in the second fortnight of January to clear inventory at up to 50 per cent discount. This year, they have announced the sale in mid-December. “We estimate a recovery in business during the sale period,” said RK Dalmia, president, Century Textiles.

COVERING LOSS

- Manufactures report 30-50%fall in sales due to demonetisation
- Raymond rewards loyal customers through EMIs and "purchase now and pay later" schemes
- Bombay Dyeing offers up to 40% discount, others follow suit
- Others offer "buy one get one free" on bed linen through Big Bazaar
- Normally, home textile manufacturers announce annual sale in the second half of Jan

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Source: business-standard.com- Dec 20, 2016

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Irani launches mobile app to aid weavers

Union Textiles Minister Smriti Irani today launched the E Dhaga app developed by National Handloom Development Corporation to address weavers concerns on availability of raw material and supply delays.

Speaking at the launch, Irani said the "app seeks to address concerns of individual weavers such as availability of raw material, delays in supplies and ensuring stocks in depots", according to a release.

Textiles Secretary Rashmi Verma emphasised on the need to engage weavers to use the app, which will be a handy tool for them to transact with NHDC.

The programme was attended by handloom weavers from various states. The weavers can access the status of the shipment of the dispatched material using the app.

The app is available in Hindi, English and Telugu and will also be available in other languages such as Bengali, Oriya, Assamese and Urdu by January 15, 2017.

Besides, in line with the Digital India initiative of the government, NHDC will accept all payments through RTGS/NEFT or digital mode from December 19 onwards and place the latest three months yarn procurement of societies from NHDC in the public domain.

Source: indiatoday.in – Dec 19, 2016

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Textile sales decline by 50 p.c. in November

Textile business in the country has been impacted by the demonetisation of high value currency notes, with November sales down by almost 50 per cent compared to that of October, said a top executive of Bombay Dyeing.

It has had a "big impact... got hurt," The Bombay Dyeing & Manufacturing Co. Ltd CEO Nagesh Rajanna said, pointing out that signs of business bouncing back were already visible. He was addressing the media here on Monday.

Hoping the textile business would bounce back over the next three months, a period that usually witnesses more sales on account of New Year and Sankranti, Mr. Rajanna said sales in November were 50 per cent lesser than that of the previous month's figures.

The third quarter of the current fiscal came under pressure. "Wait and watch how Q4 will shape up," he said. Customers were switching to cashless mode of payments. The showrooms were gradually installing PoS machines for facilitating use of credit/debit cards post the November 8 decision of the government to demonetise old Rs. 500 and Rs. 1,000 currency notes.

On the impact for Bombay Dyeing specifically, Mr. Rajanna said the use of cards for payments was high, up to 60 per cent of the total transactions, in case of exclusive outlets. This, however, was not the case at multi-brand showrooms, which account for a chunk of the sales.

Silver lining

One of the benefits of demonetisation for the domestic textile industry was bringing Chinese imports under pressure. It made the imports expensive, he said, explaining that much of these transactions were taking place illegally and could not be conducted the same way anymore.

Source: thehindu.com – Dec 19, 2016

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Limited buying holds cotton steady

Cotton prices remained steady on limited demand by exporters and domestic mills. Arrival of the fibre edged up in Gujarat. Traders said that domestic mills made need-based purchases, while demand from exporters was limited which kept the cotton price unchanged.

Gujarat Sankar-6 cotton stood at ₹38,800-39,100 per candy of 356 kg. About 60,000 bales of 170 kg cotton arrived in Gujarat and 1.65 lakh bales arrived in India. *Kapas* or raw cotton decreased on weak ginning demand.

Kapas moved down by ₹3 to ₹980-1,030 per 20 kg and gin delivery *kapas* was at ₹1,030-55. Cottonseed was at ₹465-475 per 20 kg.

Source: thehindubusinessline.com – Dec 19, 2016

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Cash crisis looms large over power looms of Bhiwandi

Cottage industries across the country have suffered heavily because of the ban on high-value notes. The second of a six-part series examines how the power loom industry in Bhiwandi is coping after five weeks of demonetisation.

Till November 8, power looms in Bhiwandi, a town 20 km north-east of Mumbai, worked in two shifts of 12 hours each. That changed in India's Manchester of the West after demonetisation came into effect.

Business has slowed because of fewer orders and the cash crunch is preventing owners and workers from completing the limited work they have.

"About 70% of the 1.2 million power looms in Bhiwandi have downed their shutters and the rest will close down soon," said Abdul Mannan Siddiqui, a power loom owner and president of the industry body Shantinagar Powerlooms Association.

While Bhiwandi's power loom industry, which weaves a third of the cloth that India wears, had been struggling on account of high electricity rates, dumping by China and administrative hurdles, demonetisation has dealt a crippling blow for many here.

Sajid Alam, a power loom worker, says, “I have been running from pillar to post, seeking a job following the closure of the unit I was working for. I was earning Rs 10,000 a month. I am not earning anything now”

Power loom owner Anwar Husain, who has been managing his business for over two decades in the Jabbar Compound region of Bhiwandi, says limited cash withdrawals have hampered operations.

“I have no choice but to close down my power loom for want of cash and inability to source raw materials,” he says.

“I am not able to pay the 15-odd workers I employ. Most of them have already left for their homes in Madhya Pradesh, Uttar Pradesh, Bihar and West Bengal. If the situation does not normalise soon, I will be compelled to sell my loom at scrap value.”

Another power loom owner, Hayat Khan, says his unit produced 1,800 metres of cloth a day before demonetisation. “I am unable to withdraw enough money as banks do not have sufficient cash. Wages and electricity arrears are mounting. The situation is worse than in 1999-2000, when there was a slump in business,” he says.

Bhiwandi, a 150-year-old town, is a key supplier of grey, a kind of rough-hewn cloth, that is processed into fabric. According to local manufacturers, earlier about 600 trucks of yarn reached Bhiwandi daily to be spun into grey. Now there is none.

Purushottam Vanga, vice-chairman, Powerloom Development & Export Promotion Council, says almost 80% of the workforce in Bhiwandi are migrants. “Half of them have returned home.”

While the government has taken cognizance of the situation, with Union Textiles Minister Smriti Irani visiting the town last week and promising relief measures, the emphasis is now on shifting to opening bank accounts for workers here.

The Bharatiya Janata Party MP from Bhiwandi, Kapil Patil, says, “Over 10,000 applications to open bank accounts have been filed.”

While this is only 2% of the workforce in Bhiwandi, experts say a start has been made to sensitise people to use banking channels.

But executives of industry bodies such as Vanga, who is also president of the Bhiwandi Padmanagar Powerloom Weavers Association, are hopeful. “If the decreasing sales of readymade cloth in the market following demonetisation can be addressed, we can tide over other teething problems.”

Source: business-standard.com– Dec 20, 2016

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Indian exporters urge RBI to speed up Iranian banks applications for branches

Indian exporters have written to the RBI asking for speedy clearances for Iranian banks that have applied to open their branches in India. This will help in increasing exports to the country after it dipped in the last fiscal due to falling oil and commodity prices.

“We have asked the RBI to expedite clearance of the applications given by the Iranian banks to open up branches. The Commerce Ministry is also supporting us. Once banks from both countries open their branches in the other country, bilateral trade will shoot up,” said Ajay Sahai, Director-General, FIEO.

A delegation of business persons from Iran representing a number of sectors such as textiles, clothing, fruits and vegetables, dates, live animals and bitumen are in India to hold meetings with Indian businesses.

Biz-to-biz meetings

“We believe that such business-to-business meetings will help to increase business between the two countries. We also hope that banks will get the relevant permissions soon to open branches,” said Ali Raoffi, Deputy Governor of Hormozgan Provice and leader of the Iranian delegation.

The Iranian banks that have applied for setting up branches in India include the Bank of Pasrgad, Saman Bank, Parsian Bank, Bank Mellat and the Persian International Bank. Some of the banks applied almost five years ago.

The Commerce Ministry is also in talks with the Iranian government for allowing at least two Indian banks — SBI and UCO — to set up branches in Iran. IDBI could also apply for opening a branch in the country, Sahai added.

Following the lifting of economic sanctions against Iran by the UN and several Western countries and blocs including the EU, the two countries are hoping that normalised relations would lead to increased business.

India's exports that increased to $5 billion in 2014-15 fell to $2.8 billion the following year. Both sides are hopeful that bilateral trade will increase from the present $9 billion to $12 billion over the next two years.

Source: thehindubusinessline.com– Dec 20, 2016

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