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USD 67.52 | EUR 71.84 | GBP 85.47 | JPY 0.59

Cotton Market Update

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

Rs./Bale	Rs./Candy	USD Cent/lb
18453	38600	**72.93**

Domestic Futures Price (Ex. Gin), December

Rs./Bale	Rs./Candy	USD Cent/lb
19200	40162	**75.89**

International Futures Price

NY ICE USD Cents/lb (March 2017)	72.20
ZCE Yuan/MT (January 2017)	15,760
ZCE Cotton: USD Cents/lb	**88.06**
Cotlook A Index – Physical	**80.45**

Cotton & currency guide: Cotton traded positive on Tuesday's trading session both at domestic and global markets. The ICE March cotton future ended the session at 72.04 cents/lb while the December future at MCX settled higher at Rs. 18960 up by Rs. 150 from the previous close

Speculators have been on both sides of the market, and consequently, futures continued to vacillate before settling modestly higher today. The spot month broke through a key resistance level of 72.00 cents/lb, soaring to its high of 72.43 cents/lb. Support at the bottom halted losses, and a market reversal occurred. Nearby deliveries returned to positive ground, where they remained until the close, ending modestly higher. Turnover was estimated at 26,000 contracts, up from the 22,456 that traded previous day. Total open interest rose by 939 contracts to 250,969. Increases were reported in March '17, May '17, July '17 and December '17, while a decrease occurred in the December '16 delivery. Certificated stocks amounted to 77,552 contracts. No notices of delivery were reported in the December '16 contract, leaving the total at 459

From the domestic front all India daily seed cotton arrivals are estimated at roughly 150,000 lint equivalent bales (170 kgs), including 40,000 from Gujarat and 50,000 from Maharashtra. According to the Cotton Corporation, cumulative new crop arrivals by December 12 were estimated at 6,370,394 lint equivalent bales (170 kgs), including over 1.4 million each from Gujarat and Maharashtra. Interior asking rates for Shankar-6 have advanced by Rs. 250 from the previous close, to be placed at Rs. 39,000 per candy, ex-gin. S-6 prices have fluctuated in a range of just Rs. 300 during the past week. At the prevailing exchange rate, equivalent value is approximately 73.70 US cents per lb. Punjab J-34 has also moved higher, to settle at Rs. 4,130 per maund (74.40 cents per lb)

This morning cotton future at ICE is seen trading marginally lower 0.20% at 71.90 cents/lb. Also cotton price is lower at ZCE down by 0.70% a5 15650 Yuan/MT. We believe initially market may see price correction. However, we believe at the domestic market cotton market may remain steady while we are not expecting excess rise in the price. From the price perspective the December future is expected to trade in the range of Rs. 18800 to Rs. 19200 per quintal.

NEWS CLIPPINGS

INTERNATIONAL NEWS

EU looks set to approve textile trade pact with Uzbekistan

The European Parliament looks set to approve textile agreement with Uzbekistan on Wednesday that would lead to increased textiles imports from the country despite ongoing concern over the use of forced labour in the cotton harvest. The pact will resolves the final missing element and also further lower tariffs on Uzbek textile imports.

The EU had a free trade agreement with Uzbekistan for everything since 1999 except textiles, as it was a sensitive issue in Europe. But since then, textiles have become less and less sensitive because they have less of a textile industry. And so it is no longer sensible to exclude textiles.

Even with absence of an agreement, Uzbek textiles flow easily into Europe because of low tariffs, with the category second only to chemical products in EU imports from Uzbekistan, at 38 million euros ($40.35 million) last year. The EU is nearly tied with Kazakhstan as Uzbekistan's third-largest trade partner, behind China and Russia. Bilateral trade last year totaled almost 2 billion euros.

Human Rights Watch, a U.S.-based campaign group, however accuses the Uzbek government of forcing more than 1 million adults to pick cotton at harvest time. Cotton accounts for around 17% of the country's exports and according to trade group Cotton Inc., the country is world's fifth-largest exporter of the fiber.

Human Rights Watch and other groups successfully lobbied opposition in the European Parliament to the Uzbek textile agreement ahead of a planned vote in 2011 over the use of child labor in the cotton harvest, with parliamentarians then voting 603-8 against moving forward.

Uzbekistan subsequently moved to address the complaints and allowed the International Labor Organization in to observe the harvest for the first time in 2013. By 2015, the ILO had concluded that child labor had become "rare, sporadic and socially unacceptable."

The EU-Uzbekistan Partnership and Cooperation Agreement that has been in place for 17 years, making each side a most favored nation for the other.

Source: yarnsandfibers.com– Dec 13, 2016

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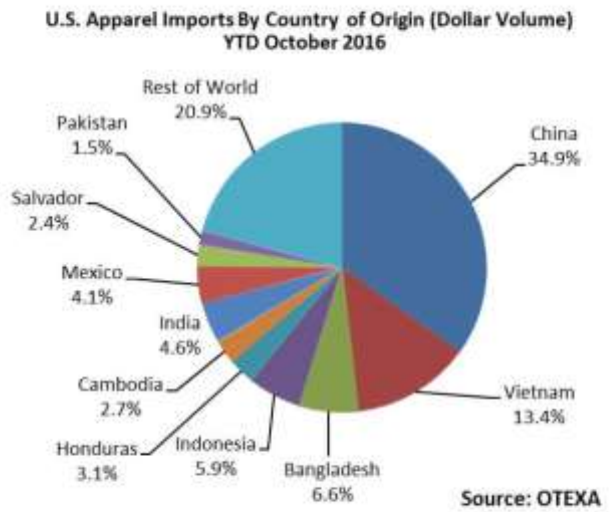
Vietnam Gaining Share of Shrinking US Apparel Imports

Vietnam continued to gain share of U.S. apparel imports in October, putting the country on track for another record year in 2016. But Bangladesh and India have also made inroads, with all gaining at the expense of China.

U.S. apparel imports are down more than 5 percent on a dollar basis for the first 10 months of 2016, according to the most recent data from OTEXA, the International Trade Administration's Office of Textiles and Apparel.



U.S. retailers, determined not to get caught with excess inventory at year-end, have been very careful to order in line with and closer to need.

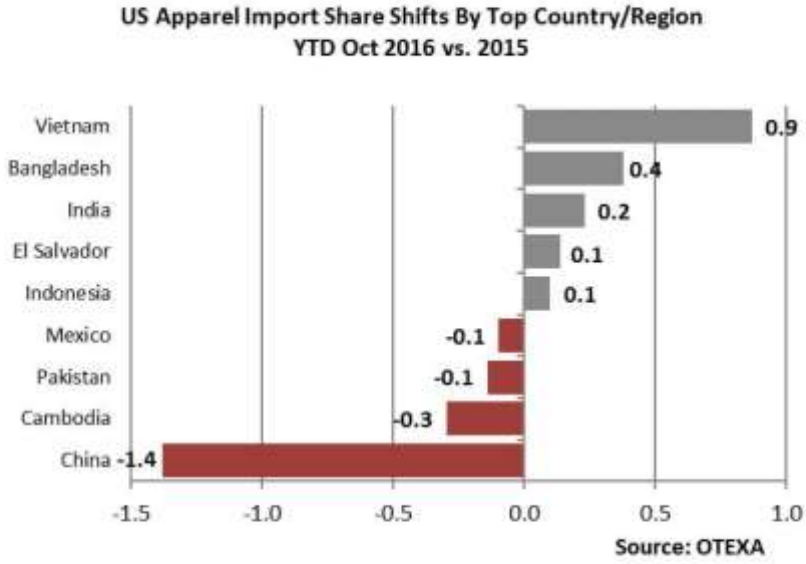
Total year-to-date apparel imports were $69 billion through October, down from $72.7 billion in the year-earlier period.

On a square meter equivalent (SME) basis, 2016 year-to-date imports fell by 1.4%, indicating a continuing shift toward lower-cost goods compared to the prior year. The cost per SME has dropped by 3.9% so far this year.

The number two source of U.S. apparel imports after China, Vietnam has gained 0.9 percentage points of U.S. apparel import share, representing 13.4% of total imports, or $9.2 billion.

Though still the largest source of U.S. apparel imports with a 34.9% share, China has lost 1.4 percentage points of U.S. apparel imports so far in 2016, with its year-to-date apparel shipments to the U.S. totaling $24 billion, down 8.3% from the same period last year.

Apparel imports from Cambodia and Pakistan have dropped the most of any top 10 trading partner so far this year, down around 14 percent each.



Imports from CAFTA-DR have picked up nicely in 2016, gaining 0.3 percentage points of share, thanks to an increase in near-shoring that has benefitted El Salvador, Guatemala, Honduras and Nicaragua, all of whom have enjoyed an above-average uptick in apparel exports to the U.S.

Bangladesh, which has edged ahead of Indonesia as the third largest apparel trading partner, has seen its share of U.S. apparel imports grow despite the fact that its shipments have fallen slightly to just under $4.6 billion so far this year.

Indonesia's apparel shipments to the U.S. are down by 4.2% so far this year, an almost 6 percent share.

Source: sourcingjournalonline.com– Dec 12, 2016

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Chittagong Port May Increase Service Charges in 2017

Apparel companies may be paying more to transport goods out of Bangladesh next year.

Officials said the government may impose additional service tariff rates for Chittagong's port in June, The Financial Express reported. The ministry intends to bring the port's charges and fees up to date.

"We sat today (Sunday) with the stakeholders to review the tariff structure for the port," joint secretary of the shipping ministry A S M Mamunur Rahman Khalili said. "We have to review more in this regard."

The potential hike could be five to six times higher than current rates, which have remained unchanged since 1986. Sixteen officials have been appointed by the ministry to update the tariff rates.

Chittagong's port handles more than 90 percent of the nation's foreign trade and has 60 tariff heads. According to ministry data, in the fiscal year 2007-08, only five out of 60 tariff heads were revised and many items remained static during this timeframe.

Ministry officials said seven new tariff heads will be likely introduced, meanwhile five other items have been deemed obsolete and removed from the existing list.

Ministry data also indicated that the proposed hike could include a 900 percent tariff on the issue of certificates and charges on Lorries, a 454 percent tariff on gear testing, a 400 percent tariff on package repair and a 398.6 percent tariff on higher mechanical equipment.

Although Chittagong port's tariff rates are lower than those of neighboring nations, the charge hike could change this figure greatly, affecting apparel companies that source goods from Bangladesh.

The charge hike proposal is timely with the nation's other improvement initiatives. By 2021, Bangladesh would like to achieve $50 billion in apparel imports, in addition to improving its infrastructure to compete with other Asia-Pacific garment countries.

Although Bangladesh's share of apparel markets would increase by three percent, the charge hike proposal could potentially damage international market appeal.

Source: sourcingjournalonline.com– Dec 12, 2016

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ILO Extends Support for Bangladesh Apparel Industry

Bangladesh's garment sector will continue its improvement initiatives with the help of a major initiative.

On Dec. 12, the International Labour Organization (ILO) and government representatives from Bangladesh, the Netherlands and the U.K. signed a Memorandum of Intent, which will continue reform efforts for the nation's apparel industry.

Global officials that signed the agreement included the Ministry of Labor and Employment Secretary Mikail Shipar, ILO director-general Guy Ryder, Embassy of the Kingdom of the Netherlands ambassador Leoni Margaretha Cuelenaere and head of DFID Bangladesh Jane Edmondson.

The government officials are working together in the 'Improving Working Conditions in the Bangladesh Ready Made Garment Sector programme,' which was established by the ILO and funded by Canada, the Netherlands and the U.K. The Memorandum will approve the program's second phase, which is set to begin after June 2017.

The second phase will kick-start new projects, including the creation of a Remediation Coordination Cell for RMG factories.

The program will continue to strengthen regulatory capacity and fortify the occupational health capabilities of workers' organizations.

Since its launch in Oct. 2013, the program has worked with Bangladesh's government to facilitate more RMG factories inspections for structural, fire and electrical safety.

Three years later, the program has successfully led to the evaluation of over 1,500 RMG factories in Bangladesh. Additionally, factory safety, workers' health and the capacity of the Department of Inspections for Factories and Establishments has greatly benefited from the program.

"Since 2013 Bangladesh has come a long way to make its garment industry safer and to improve working conditions, Ryder said. He added, "We can be positive about the progress made but the job is not yet finished."

Source: sourcingjournalonline.com – Dec 13, 2016

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Here's What Donald Trump Should do With Trade

Donald Trump isn't the only one taking up residence on Pennsylvania Avenue. The United States Fashion Industry Association (USFIA) recently moved into our new offices just steps from the White House—and as we packed and unpacked the history of our organization, I couldn't help but think about the election, and the impact the new Administration could have on the fashion industry.

What can we expect in terms of trade and foreign policy in the Trump Administration? The President-Elect announced via YouTube that he will withdraw from the Trans-Pacific Partnership (TPP) on Day One of the Administration—and if the campaign rhetoric is any guide, we should prepare for the United States to renegotiate or, alarmingly, leave the North American Free Trade Agreement (NAFTA), place penalty tariffs against China, and maybe even build the wall along the Mexican border.

To be honest, however, we suspect the new president will not abolish NAFTA or other existing trade agreements—but there is nonetheless a sharp shift in the tone of the national discussion about trade.

This is worrisome because the fashion industry is global and depends on trade around the world to create high-quality jobs in the United States.

So, we have a few suggestions for our soon-to-be-new neighbor.

Take policy actions that support all American jobs. While the campaign focused on manufacturing jobs, the fashion industry creates millions of high-quality jobs—in design, product development, logistics, sourcing, and retail, as well as manufacturing. Already, the retail industry, including the fashion industry, supports 42 million jobs—or 1 in 4 jobs in the United States. And these jobs will be on track to grow if free trade agreements contain rules of origin and market access provisions that decrease the cost of products.

Help American families and consumers by eliminating regressive taxes on clothing and footwear. While the average duty for manufactured products is 2 percent, tariffs on clothing and footwear, including for kids and babies, can be as high as 32 percent for clothing and 65 percent for footwear. We're sure President-Elect Trump and his daughter Ivanka Trump, who have both produced fashion lines in China, are aware of the impact of high tariffs. Let's end these regressive tariffs—and watch jobs grow, businesses expand, and families reap the benefits when shopping for necessities.

Take a fresh look at onerous regulations. For too long, brands and retailers have juggled conflicting rules and regulations in the United States and around the world, in areas such as labeling, testing, and compliance. The new Administration has an opportunity to work with business and the Congress to untangle the mess of conflicting state and national regulations. Our industry and consumers don't benefit from often contradictory state and global regulations. We hope the Trump Administration shares our commitment to eliminate unnecessary burdens on business.

Support the Western Hemisphere supply chain—because it's an important success story and shows how free trade really works. U.S. yarn and fabric producers are major suppliers to apparel manufacturers in the Western Hemisphere. In fact, about half of American yarn exports go to CAFTA-DR countries—and looking at all products, the United States maintains a trade surplus with the CAFTA-DR region.

Meanwhile, brands and retailers depend on the region for quick turnaround the provide consumers with the products they need. We should not withdraw from Western Hemisphere FTAs; we should make them even better for today's supply chains, and encourage more business.

We think—and hope—the Trump Administration will understand what our industry needs. After all, he and his family are in the business of importing fashion and accessories from around the world, too!

In the meantime, the United States Fashion Industry Association (USFIA) will continue our work on Pennsylvania Avenue and beyond to find opportunities to eliminate tariffs and open markets, to expand activities with U.S. Customs and Trusted Trader Programs, and to provide resources to help companies source in cost-effective, efficient, and ethical ways. We hope we can work closely with the new Administration and the new Congress on these issues. But we will never stop fighting for free trade.

Source: sourcingjournalonline.com– Dec 12, 2016

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China offers Bangladesh technology and finance for jute viscose project

China has made an offer of technology and finance to Bangladesh for building a plant to make viscose fibre from jute. Viscose made from cellulose fibre found in trees by way of a complex chemical treatment is softer than cotton with good moisture-absorbing properties. This offering by China is done in its pursuit to strengthen economic ties with South Asian countries.

If the plant materializes, then Bangladesh will not have to spend anything between 700 and 800 crore taka annually for import of viscose material. In fact, it will be a major breakthough for the Bangladeshi textile sector.

But this offering by China to assist Bangladeshi factories to revive their productivity has put the 150 year old Indian industry on edge, as a good portion of Bangladesh's viscose fibre imports are from India.

Both Grasim Industries and its Thailand arm Thai Rayon are regular exporters of viscose staple fibre to Bangladesh, where it is spun into yarn in local spinning mills, said a jute industry official here.

Last year Bangladesh imported 33,737 tonnes of viscose fibre.

A minutes of document (MOD) was recently signed by the Bangladesh Jute Mills Corporation (BJMC) and China's Textile Industrial Corporation for foreign economic and technical corporation to take the jute viscose project forward.

While capacity and location of the viscose plant will be based on an expert report, BJMC has hinted that the proposed plant will need a minimum investment of 1,000 crore taka (about Rs 850 crore). The project will be a boon for the country's jute economy since value addition to the raw material, when converted into viscose, will be substantially more than when either used in traditional jute mills or exported.

Bangladesh is not only the world's second largest producer of raw jute after India, but unlike the latter, it is left with considerable amount of surplus fibre after providing for conversion into jute goods by local integrated jute factories and spinning mills.

In a year marked by bountiful rains, Bangladesh will harvest a jute crop of eight million bales of 180 kg each, which will leave an exportable surplus of one million bales. Where the country scores over India is in the superior quality of its fibre helped principally by plentiful availability flowing water in rivers, streams and canals in jute-growing centres for fibre retting.

India is a regular importer of good quality jute from Bangladesh for the purpose of blending with coarser local fibre. The viability of the proposed viscose plant in Bangladesh will be underpinned by assured supply of good quality jute and a big domestic market for the final product, say observers here.

The Chinese rescue act for the ailing jute sector, which provides livelihood to nearly 25 million people in jute-related activities from growing of fibre to its processing in factories to handling and trading will earn Beijing much goodwill to India's discomfort.

Moreover, Dhaka gives liberal subsidy to jute goods exports. If with China's help, Bangladeshi mills able to improve product quality and reduce mill conversion cost, then that would further impinge on India's capacity to export jute goods.

The official said that India must not overlook the chapter of MOD where China makes the commitment for 'balancing, modernization, rehabilitation and expansion' of the 24 jute mills belonging to the government-owned BJMC.

The mills are 60-70 years old and they all need funds and technology inputs for modernization. In the past one decade, the Corporation lost money every year except in 2010-11 when it managed to break even. Regular release of government funds for buying raw jute and paying wages to employees and mounting bank debts are keeping BJMC mills afloat.

Source: yarnsandfibers.com – Dec 13, 2016

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Pakistan: Trade deficit widened 20pc in July-Nov

The trade deficit in merchandise rose nearly 20 per cent year-on-year to $11.775 billion in the first five months of the current fiscal year because of falling exports and increase in imports.

The deficit stood at $2.493bn in November, a rise of 14.3pc compared to $2.181bn a year ago, the Pakistan Bureau of Statistics said on Tuesday.

The drop, along with fall in remittances, has contributed to the rising current account deficit in the first four months of the current fiscal year.

In July-November, the overall import bill rose 8.8pc year-on-year to $19.964bn. In November alone, it increased 10.8pc to $4.255bn. Machinery imports are on the rise because of increase in infrastructure investment, especially construction of roads.

Contrary to this, export proceeds fell 3.93pc to $8.189bn in July-November. In November, however, export proceeds grew 6.21pc, mainly because of increase in exports of textile and clothing.

The marginal increase shows that exports of the garments sector, along with other value-added sector, to Europe have started picking up under the GSP+ preferential tariff scheme.

Under a three-year strategic trade policy unveiled earlier this year, the government set an annual exports target of $35bn by 2018.

Exporters are awaiting an incentives package of Rs170bn prepared by the ministry of commerce that needs an approval of the prime minister.

On Tuesday, World Bank's Islamabad-based office released a report asking Pakistan to implement a set of policy actions aimed at improving the business environment, connecting to global value chains, leveraging clusters and strengthening firm capabilities. This was stated in the report "South Asia's turn: Policies to boost competitiveness and create the next export powerhouse".

The report argues that increasing productivity of firms in Pakistan and the rest of South Asia is the only sustainable path to improving competitiveness. Today, a broad set of constraints limit the growth and export potential of Pakistani firms in relation to their competitors in the East Asia and the rest of the world.

In order to address these, the report highlights the challenges in the region's investment climate and draws attention to less-researched areas such as the role of cities and clusters, global value chains, and firms' abilities to innovate and efficiently use resources, including technology.

"Pakistan, in particular, has important strategic endowments and development potential," says Illango Patchamuthu, World Bank's Country Director for Pakistan.

"Located at the crossroads of South Asia, Central Asia, China and the Middle East, Pakistan is at the heart of a regional market with a vast population, large and diverse resources, and untapped potential for trade."

Pakistan leads many global competitors when it comes to wage competitiveness and proximity to key markets, yet it continues to experience low exports that remain concentrated in the textiles and food sectors.

The investment in global value chain capabilities, including physical capital, human capital, institutions and logistics remain limited.

The commerce ministry has yet to receive funds to implement the trade policy to stem the decline in exports.

The finance ministry has also withheld Rs30bn collected as Export Development Surcharge (EDS) meant to be be used for facilitating exporters and has allegedly been using those funds for other purposes.

Source: dawn.com – Dec 14, 2016

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Vietnam cotton imports rise 18 per cent

After a degree of slowdown in late 2015-16, Vietnam's cotton imports have moved upwards again in the first few months of 2016-17. Imports in the period August to November, saw an estimated 18 per cent increase over the same period in 2015-16. This means it imported about 1.6 million bales.

The 12-month total (Dec 2015-Nov 2016) for Vietnam has now reached a record level and is expected to move higher. The United States Department of Agriculture (USDA) has raised the 2016-17 forecast for Vietnam's imports to 5.0 million bales.

Rising demand is largely due to the fact that there is considerable demand for Vietnam-produced yarn in China. China customs data from August to October show, cotton yarn imports from Vietnam was up 200,000 bales.

Vietnam's spinning sector does not appear to have suffered unduly as a result of China's internal cotton prices which are substantially lower than global levels. Many analysts expect to see spinning declining in countries that previously benefited from lower Chinese domestic spinning.

In particular, countries like India and Pakistan have experienced substantial decline in yarn exports to China. However, Vietnam's continuing strong demand is supported by a rise in China's yarn imports from Vietnam.

Source: fashionatingworld.com – Dec 13, 2016

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'New apparel export markets will benefit Bangladesh'

A top advisor to the Bangladeshi prime minster has suggested that the Bangladesh apparel export industry should explore new markets, rather than just concentrating on exporting to the US and the EU.

Dr Gowher Rizvi, international affairs adviser to the prime minister observed this while speaking at the 'BIDS Research Almanac 2016' held in Dhaka.

A leading Bangladeshi daily quoted Dr Rizvi as saying that exploring new regions and countries like Eastern Europe, Central Europe, Africa and Turkey, would accelerate growth and human development in Bangladesh, while also bringing in more opportunities to the garment industry.

He added that the whole world can be a destination for Bangladeshi garment exports, while also offering advice on exploring new regions and markets.

Source: fibre2fashion.com – Dec 14, 2016

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Nigerian govt to re-implement export grants for textile

The Nigerian government will re-implement Export Expansion Grants (EEG) in the textile industry, said Aisha Abubakar, minister of state, industry, trade and investment.

However, EEG will be implemented differently this time compared to earlier years. This will yield better and effective results, and help in reviving the textile industry.

The federal government is also taking steps to solve the problem of gas supply which will help in the restoration of the textile industry in Nigeria, said Abubakar, according to Nigerian media reports.

Emphasis should be laid on improving the role of the textile industry in order to sustain the nation's economy, said Abubakar at the North-west Regional Customer Forum.

The forum was organised by the Bank of Industry (BoI), titled "The role of financial institutions in driving the industrial development of a nation: A – Z of accessing BoI's credit facility."

Abubakar also paid visit to the textile factories in Kano. She said measures will be taken to promote made-in-Nigeria products.

The stakeholders also play a crucial role in the achievement of the desired growth in the textile sector, according to Abubakar. Further, for the revival of nearly 70 projects in the Cotton Textile & Garment (CTG) value chain, loans have also been approved by the development finance institution

Source: fibre2fashion.com – Dec 14, 2016

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NATIONAL NEWS

Century Textiles organises Digital India Workshop

Century Textiles & Industries Ltd today said it has organised 'Digital India Workshop - Cashless Transaction' for its workers to empower them to make cashless transactions.

"We have organised 'Digital India Workshop - Digital Week' Cashless Transaction from December 13- 17 at our Jhagadia unit in Gujarat in collaboration with State Bank of India and HDFC Bank.

This workshop is to empower workers to make cashless transactions using electronic devices and channels. It is a first of its kind organised in Indian textile industry," a statement issued here said.

Century Textiles had taken initiative in 2011 for their Bharuch Plant and opened bank account for their workers and their wages are being deposited in their individual account.

"To take this initiative step ahead, we will train and educate each and every workman and staff for cashless transactions with the help of our bankers.

Within six months, all the 1,500 workmen and 230 staff will be tech savvy and will do cashless transactions," Century Textiles President R K Dalmia said.

Source: business-standard.com - Dec 13, 2016

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India witnesses steady rise in carpet exports

India has been witnessing a steady rise in the export of handmade carpets and floor coverings since last three years. Carpet exports increased form Rs 7108.31 crore in FY13-14 to Rs 8441.95 crore in FY14-15, and then to Rs 9481.36 crore in FY15-16. In the ongoing financial year 2016-17, carpet exports have already touched Rs 5786.85 crore till October.

The data on India's carpet exports was given by Union textiles minister Smriti Irani in a written reply to a question in Rajya Sabha last week. The minister said that the ministry does not maintain state/UT wise export statistics.

The government is implementing various schemes to improve the exports of handmade carpets and other floor coverings. These include 5 per cent Merchandise Exports from India Scheme (MEIS) Scrip on exports of handmade carpets and other floor coverings.

In order to increase manufacturing and exports of the carpet industry, government is planning to establish mega clusters in Bhadohi-Mirzapur and Srinagar. It also intends to set up Indian Institute of Carpet Technology (IICT) at Bhadohi.

In a bid to boost the exports of the carpet industry, the government announced 3 per cent interest equalisation scheme on pre and post shipment rupee export credit with effect from April 1, 2015 for five years.

Under Market Development Assistance (MDA) and Market Access Initiative (MAI) schemes of the department of commerce, the government provides financial assistance to the carpet industry for participation in fairs, exhibitions and buyer-seller meets in India and abroad.

Support is provided for market study, branding, involvement in social and welfare programmes among others through Marketing Support and Service Scheme.

Meanwhile, the government is imparting skill development training for carpet weaving and providing financial aid for functioning of carpet weaving training centres in the areas of Bhadohi-Varanasi-Mirzapur. Stipend is also given to the trainees.

The carpet manufacturers and exporters are also benefitting with the refund of excise and custom duties paid on import through duty drawback channel.

Source: fibre2fashion.com - Dec 13, 2016

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Weavers to get more employment: KTR

Expressing concern over suicide by a powerloom weaver Domala Ramesh in his Siricilla constituency on Monday night, Textiles Minister KT Rama Rao today vowed to provide more employment opportunities, loans, subsidy and incentives to weavers and workers of handloom and power looms esides procuring their produce completely.

The minister sent Textiles Commissioner Shailaja Ramayyer and secretary to Siricilla to offer Rs 1.5 lakh ex gratia to the kin of deceased besides promising to provide education to the children and a double bedroom house. About Rs 18 crore towards arrears and subsidies given to help Siricilla weavers besides giving orders to supply Rs 70 cr worth clothes for school uniforms under Rajiv Vidya Mission scheme, the Textiles Minister claimed.

The weavers should not lose confidence as the efforts for two and half years giving positive results, he noted. The Government has agreed in principle to procure the produce of weavers from Siricilla and other areas and provide them ample scope for better future, he maintained.

To overcome crisis and help handloom and powerloom weavers of Siricilla, the State government waived Rs 5.65 crore, 50 per cent power subsidy of Rs 7.19 cr, released Rs 4 cr arrears under Technology Upgradation Fund (TUF), 15000 power looms upgraded (10000 from Centre and the rest from the State), he said.

He also said that 6000 weavers are getting life insurance under Mahatma Gandhi Bunker Beema Yojana, loans given under Mudra Bank to 600 weavers and giving Rs 1200 scholarship to weavers' children of those who joined this scheme. KTR asserted that the weavers have better future and can get benefits from the government.

He said that the government will soon come up with a new textile policy and announce sops to the weavers, workers of textile industry and steps to be taken for their welfare.

Source: siasat.com - Dec 13, 2016

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Solapur set to become major uniform and garments mfg hub

Solapur district in Maharashtra has sought investments from national and international garment manufacturers to make it a major uniform and garment manufacturing hub, a senior industry official said here.

"Following Union Government's initiative to set up Garments Park and new MIDC, Solapur known for its manufacturing skills is set to become major uniform and garment manufacturing hub in the coming years," Solapur Readymade Kapad Utpadak Sangh, vice president Nilesh Shah told reporters here.

"We invite national and international garment manufacturers to invest in this region as Solapur has the potential to become supplier for school uniforms for the whole country," he said.

It has more than 1,000 garment manufacturing units at present and is well connected with the rest of the country with rail and road network and the nearest airports being Mumbai, Pune and Hyderabad.

Solapur attracts investment for setting up of garment industries in Maharashtra primarily due to easy availability of transportation, labour and raw materials, Shah said.

The district is already contributing 6 to 7 per cent of trade volume of the country's Rs 18,000 crore uniform manufacturing industry. The industry in India has an aggregate volume of Rs 18,000 crore out of which Rs 10,000 crore is already catered by uniform manufacturing industry.

Solapur is witnessing higher demand for school uniforms, kids garments, gents and ladies dresses and hence this industry is witnessing good progress in the region, he said.

In view of showcasing its potential, Solapur Readymade Kapad Utpadak Sangh in association with the Textile Ministry of the Government of Maharashtra is organising country's first international uniform and garment exhibition at Solapur between January 5-7.

The fair will highlight capabilities of Solapur, which in turn would lead to the setting up of more garment factories and thus more jobs in both the skilled and unskilled areas will be created, Solapur Garment Manufacturers Association Joint Secretary Amitkumar Jain said.

Delegates from over nine countries have confirmed visit to the exhibition. As many as 6000 retailers from across the country are expected to visit the fair.

Source: moneycontrol.com - Dec 13, 2016

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Donald Trump's vow to end TPP affects India’s trade talks

The impact of US president-elect Donald Trump’s announcement to withdraw from the Trans-Pacific Partnership (TPP) after assuming office in January is being felt in India’s trade pact talks with 15 other countries under the Regional Comprehensive Economic Partnership (RCEP).

The members common to the two agreements (TPP and RCEP), especially developed countries such as Australia, Japan and New Zealand, want talks at the RCEP trade bloc to move ahead full steam, indicating the need to stitch together more agreements before the US, under a Trump administration, pulls out of TPP.

“There were discussions on TPP and some common countries want RCEP to move forward. The developed countries say that it is an opportunity to fast track the talks,” said an official aware of the development on condition of anonymity.

The point was raised in the just concluded round of RCEP talks in Indonesia, the first to take place after Trump’s vowed to pull out of TPP last month.

On November 22, Trump said: "On trade, I am going to issue a notification of intent to withdraw from TPP, a potential disaster for our country. Instead, we will negotiate fair, bilateral trade deals that bring jobs and industry back on to American shores."

The other countries, according to the official quoted above, haven't opposed the RCEP's pace but are waiting for Trump to make a clear statement on the fate of TPP. Trump is scheduled to take over as US president from Barack Obama on 20 January 2017.

RCEP is a proposed free trade agreement between 10 Asean countries besides China, Japan, South Korea, Australia, New Zealand and India. It aims to cover goods, services, investment, competition, economic and technical cooperation, dispute settlement and intellectual property rights.

"These are external countries with heavy dependence on exports and would certainly show interest in the RCEP. They have a strong export base which helps in their GDP growth," said TS Vishwanath, principal advisor of APJ-SLG Law Offices.

However, experts feel that with TPP unlikely to move as expected, developed countries have pinned their hopes on RCEP for some preferential treatment and trade concessions. "With Trump's statements on trade, an anti-trade sentiment was engulfing everyone.

These countries now want to send the message that trade is still important and mega agreements are the new norm, instead of bilateral free trade pacts," said a Delhi-based expert on trade, who did not want to be named. The RCEP grouping comprises of over 45% of the world's population, with a combined GDP of about $21 trillion.

Source: economictimes.com- Dec 14 2016

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IBSA meet may see pact to boost trade

To be held in 2017, tri-nation summit may also see more contribution to developmental projects

The proposal for a Comprehensive Economic Partnership Agreement (CEPA) between India and the two separate customs unions involving Brazil and South Africa – MERCOSUR and SACU respectively – to boost trade and investment ties, is set to get a leg up with New Delhi likely to accord it priority at the forthcoming IBSA Summit.

Also topping the agenda at the sixth IBSA (India, Brazil, South Africa) Summit – likely to be held in India in mid-2017 – would be the three IBSA members enhancing contribution to the 'IBSA Fund' to support more developmental projects across the world. The summit could also see the three major emerging market economies strengthening trilateral cooperation on renewable energy projects, sources said.

On trade, India has a Preferential Trade Agreement (PTA) with MERCOSUR (a trading bloc and customs union of Latin American nations, including Brazil) and both the sides are looking to expand its coverage. India is also negotiating a PTA with Southern African Customs Union (SACU) that includes South Africa — though only five rounds of negotiations had been held so far, with the fifth round having been held back in October 2010. A PTA between MERCOSUR and SACU had become operational from April this year.

Expanding scope

In the backdrop of these PTAs, the proposal for an India – MERCOSUR – SACU CEPA is to expand the scope of the PTAs from just trade in goods and then convert them into a comprehensive agreement that will also cover investments, trade in services and areas including intellectual property rights and competition laws among others.

"With the Indian Government planning to promote the IBSA grouping in a big way, efforts should be made to bring the proposal for an India-MERCOSUR-SACU CEPA to the level of an IBSA Joint Study Group.

The CEPA can help boost intra-IBSA trade and investment ties," said Sachin Chaturvedi, Director General of the New Delhi-based think-tank RIS. Intra-IBSA trade (export and import) in 2012 was about $50.5 billion, which was only 3.4 per cent of their total trade with the rest of the world. Though the CEPA proposal was mooted in 2007, talks on it have not yet taken off.

IBSA Fund

On the IBSA Fund, the three IBSA member-nations had in March 2005 agreed that each of them will pitch in with an annual contribution of $1 million to the Fund.

Though operational from 2006, the Fund had received contributions of only about $18 million, sources said, adding that the aim was to enhance it soon to $40 million to assist 25 projects every year, especially in least developed countries.

The Fund, managed by the UN office for South-South cooperation in the UN Development Programme (UNDP), is however sector- and region-agnostic.

According to an RIS report, there is a need for national development cooperation agencies of the three IBSA member nations to assume a larger role in development cooperation through IBSA.

"Instead of over-reliance on UNDP, the ABC of Brazil, DPA of India and SADPA (of South Africa) can jointly manage the Fund and the projects," it added.

The projects completed by the IBSA Fund include those in Burundi (combating HIV/AIDS), Palestine (sports promotion and rehabilitation of cultural/hospital centre), Sierra Leone (human development and poverty reduction), Cape Verde (health care infrastructure, drinking water), Guinea-Bissau (agriculture development), Haiti (solid waste collection), Cambodia (empowering people with special needs) and Vietnam (rice production).

The IBSA Fund also supported Laos in the formulation of projects and Timor-Leste through a technical exchange.

Source: thehindu.com– Dec 14, 2016

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Demonetisation hits cotton supply, sends world market into tizzy

Demonetisation in India — the world's top producer and second largest exporter of cotton — is "temporarily exacerbating" global supply of the fibre and may prompt importers like Bangladesh to look for alternative sources to stock up immediately, US-based International Cotton Advisory Committee (ICAC) says in its latest report.

"Insufficient supplies of the new notes have led to a currency crisis since much of the Indian economy operates on a cash basis, including payments to farmers. This has led to delays in sales of cotton and shipments to ports, creating shortages in the domestic market as well as reducing supplies to the global market," the ICAC said. However, it added that the impact will be "limited as the crisis is likely to be resolved in the near future".

ICAC still maintains its earlier forecast of an annual 34% drop in Indian cotton export volume to 8,25,000 tonnes in the current marketing year that started on October 1. But given the delay in Indian cotton reaching the global market, other exporting countries may gain, according to the report. As such, cotton exports by India have been adversely affected by a slowdown in purchases by China, its top buyer traditionally, in recent months.

The report said: "Bangladesh, which imports from India, may use cotton from other countries for its immediate needs."

Bangladesh is expected to be the largest importer of cotton for a second straight year in 2016-17 as its mill use continues to grow with imports projected to rise by 1% to 1.4 million tonnes.

Exports from the largest supplier, the US, are projected to increase by 29% to 2.6 million tonnes. Similarly, Australia will likely export 21% more from a year before at 750,000 tonnes in 2016-17, thanks to a good harvest there.

Exports from Burkina Faso and Mali, the sixth and seventh largest exporters, could rise by 13% to 295,000 tonnes and by 17% to 255,000 tons, respectively.

“Cotton from these origins may replace some of India’s exports if their crops reach the global market sooner,” the report said.

Despite weak global cotton demand and projected higher output in 2016/17, international cotton prices have remained elevated. This is because the unanticipated shortfall in production in 2015 and 2016 led to a 14% decline in both global stocks and in inventory outside of China.

Prices have remained high as the bulk of the crop in the current year is reaching the international market only now, the ICAC said.

After declining by 1% in the previous season, world cotton mill use is expected to remain stable at 24.2 million tonnes in 2016/17. Cotton consumption is projected to remain stable in the top three consuming countries:

China at 7.4 million tonnes, India at 5.2 million tonnes and Pakistan at 2.3 million tonnes. Higher cotton prices and lower demand for cotton yarn from China have limited growth in cotton mill use in India and Pakistan.

Global cotton output will likely rise 7% to 22.5 million tonnes in 2016-17 from a year before. Though India’s cotton area dropped 8% to just under 11 million hectares, production will likely remain unchanged from 2015-16 at 5.8 million tonnes, thanks to an improved yield, the ICAC said.

Source: financialexpress.com– Dec 14, 2016

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Port connectivity set to get a major fillip

Indian Port Rail Corporation (IPRCL), which started operations late last year, has a portfolio of 25 projects worth Rs 10,000 crore focusing on aligning rail with ports for smoother, cleaner and cheaper connectivity.

The company plans to start work on the Rs 4,300-crore contract connecting Odisha's Paradip and Dhamra ports to coalfields at Talcher in the state by March 2017.

It would give a big push to coastal shipping under the government's ambitious Sagarmala programme to enhance port connectivity and encourage coastal shipping of commodities to reduce overall logistic costs.

Paradip is the second largest major port of India. It plans to double its present cargo handling capacity of 118 million tonnes per annum (mtpa) to 300 mtpa. The commodity-wise cargo handled include iron ore, thermal coal, coking coal, manganese ore, finished steel, fertiliser, project cargo, and containers. The Dhamra port in Odisha, a deep draft sea port, plans to enhance capacity to 142 mtpa over the next 10 years from 25 mtpa now.

The shipping ministry is of the view that ports have enormous growth potential given the vast hinterlands in Odisha, West Bengal, Jharkhand, Bihar, Chhattisgarh, Uttar Pradesh and northeastern states.

According to a source in the know, IPRCL has 25 projects in its kitty and has already commenced work on eight of them.

The detailed project report (DPR) for four projects is underway and bids are expected to be invited by this month-end followed by contract award in March 2017. For seven such projects, DPRs are under final stages and bids would be called in the next financial year.

The bidding process for the remaining six projects, for which detailed studies have been done, is yet to be finalised.

The company's flagship project, the heavy haul rail corridor from Talcher to Paradip and Dhamra ports, would be a major breakthrough for rail-port connectivity in the country, an official said.

Besides the two ports, the proposed East Coast Dedicated Freight Corridor between Kharagpur (West Bengal) and Vijayawada (Andhra Pradesh) would also benefit from the corridor. Talcher coalfields cover an area of 1,800 sq km and have geological reserves of 58.57 billion tonnes of coal or 16 per cent of the country's total dry fuel reserves.

The project has not begun. Therefore, it would be premature to forecast the probable year of completion of the project, the official cited above told Business Standard.

The existing rail corridor to Paradip and Dhamra ports via Talcher traverses a distance of 327 km on a common corridor up to Salagaon from where one leg of 95 km moves in south-eastern direction to Paradip via Cuttack and the other leg of 166 km towards the north to Dhamra port. Besides the Sagarmala programme, IPRCL is also building rail connectivity to dry ports, minor ports etc.

BIG PUSH

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- Bids for seven projects to be invited in FY18
- Bidding process for remaining six projects yet to be finalised

Source: business-standard.com– Dec 14, 2016

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