Spot Prices of Overseas Ring Spun Yarn in Chinese Market

<table>
<thead>
<tr>
<th>Country</th>
<th>20S Carded (USD/Kg.)</th>
<th>30S Carded (USD/Kg.)</th>
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<tbody>
<tr>
<td>India</td>
<td>2.10</td>
<td>2.20</td>
</tr>
<tr>
<td>Indonesia</td>
<td>2.78</td>
<td>3.18</td>
</tr>
<tr>
<td>Pakistan</td>
<td>2.20</td>
<td>2.60</td>
</tr>
<tr>
<td>Turkey</td>
<td>2.62</td>
<td>2.75</td>
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Source: CCF Group

Indicative Prices of Cotton Grey Fabrics in China

<table>
<thead>
<tr>
<th>Description</th>
<th>Price (Post-Tax) (Yuan/Meter)</th>
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</thead>
<tbody>
<tr>
<td>C325x32S 130x70 63” 2/1 fine twill</td>
<td>7.20</td>
</tr>
<tr>
<td>C40Sx40S 133X72 63” 1/1 poplin</td>
<td>6.40</td>
</tr>
<tr>
<td>C40Sx40S 128X68 67” 2/1 twill</td>
<td>6.20-6.40</td>
</tr>
<tr>
<td>24Sx24S 72x60 54” 1/1 batik dyeing</td>
<td>4.50</td>
</tr>
<tr>
<td>20Sx20S 60x60 63” 1/1 plain cloth</td>
<td>6.30</td>
</tr>
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</table>

Source: CCF Group

Exhibit your company at www.texprocil.org at INR 990 per annum

Please click here to register your Company’s name
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INTERNATIONAL NEWS

VN textile industry looks to 2020 and beyond

The domestic garment and textile industry wants to revise a development plan to 2020 with vision for 2030, to match the progress of the country.

The current plan was approved in April 2014, and it is expected that Việt Nam garment exports will reach between US$20 billion and $25 billion by 2020. However, in 2015, the garment sector already earned an export turnover of $27.5 billion. All the garment and textile businesses have actively taken advantage of opportunities through trade agreements such as the Trans-Pacific Partnership (TPP), Vietnam-Korea Free Trade Agreement (VKFTA), and Vietnam-EU Free Trade Agreement (EVFTA).

Vũ Đức Giang, chairman of the Viet Nam Textile and Apparel Association (VITAS) said the industry was facing numerous challenges as many of its companies had closed down or halted production. Therefore, the industry wanted the Government to revise the plan as it was inappropriate and regressive.

The Government should outline another long-term plan until 2040 to help the industry’s progress go in line with the country’s economic development.

According to VITAS, with the current growth, the sector has set export turnover at between $40 billion and $50 billion by 2020, instead of targets set in the current plan.

Vitas estimated that between 1988 and 2012, the sector attracted 1,551 FDI projects. Of this figure, there were 1,193 garment projects and 358 fibre production projects with a total investment of $3.5 billion.

Thanks to the FDI influence, such businesses brought $2 billion into Việt Nam to the garment sector in 2015.

As a result, the total export turnover of the garment sector reached $24 billion in 2014 and $27.5 billion in 2015, and it is expected to reach $31 billion by late 2016.
Giang said that apart from the five key export products, Việt Nam also exported various kinds of fibre with an export turnover of over $3 billion annually and different types of fabric with a turnover of $1 billion per year.

Apart from the rapid production scale and strong export growth, the garment sector has also coped with unresolved shortcomings. These shortcomings needed to be handled soon to make the sector’s development sustainable.

VITAS has also proposed that the Government initiate policies to attract investments in this sector, including high-quality fibre production and dyeing projects.

In doing so, VITAS has also asked the Government to take a relook at industrial parks or key economic zones including those from the garment and textile sector.

Over the years, the garment and textile industry has not had specialised industrial zones to attract investments in textile and dyeing. As a result, the sector still relies on importing high-quality fibre for manufacturing export products, and it cost $15 billion in 2015.

In addition, Giang said the Government needed to invest in infrastructure development, and create incentives for investors. Special attention should be paid to the production units and the origin of textile fibre and threads, and dyeing.

To obtain these, VITAS has asked the Government to pay great attention to investment in international quality waste water treatment plants.

Source: vietnamnews.vn – May 02, 2016
USA: What You Won’t Hear About Trade and Manufacturing on the Campaign Trail

In this U.S. election year, presidential candidates in both parties have tied the loss of American manufacturing jobs to “unfair” trading practices and pacts such as the North American Free Trade Agreement (NAFTA). While executives of American exporters cite the Trans-Pacific Partnership (TPP) as an agreement that will be of enormous benefit to American workers, for politicians, it is another third-rail issue that few wish to support.

Donald Trump, the leading Republican candidate, claims it is “designed for China to come in through the back door.” Hillary Clinton, the leading Democratic candidate, states that the current form of the deal “didn’t meet my standards ... My standards for more new, good jobs for Americans, for raising wages for Americans.” And Bernie Sanders said TPP is “designed to protect the interests of the largest multinational corporations at the expense of workers, consumers, the environment and the foundations of American democracy.”

Maybe these comments are just campaign rhetoric, but to someone who recognizes the importance of manufacturing and manufacturing competitiveness, they sound naïve and even dangerous.

They ignore the realities of how global manufacturing now works — how it has evolved into a complex network of interlinked factories that together build many of the products sold today. And they do a disservice to the many Americans who don’t understand this complex picture: a recent Gallup poll found that 43% of Americans didn’t know enough to say whether TPP was good or not; the rest were split equally for and against.

For my part, I think opposition to TPP is misdirected. Not signing the TPP will disadvantage American exporters without addressing what I believe are the issues that politicians are angry about, which is the mercantilist behavior of some of America’s large trading partners.

To many consumers in advanced economies like the U.S. and Europe, globalization means more imports from China and other low-cost countries.
That is true at a high level — Section 304 of the Tariff Act of 1930 (and subsequent amendments) required every imported product to be “conspicuously and indelibly marked in English to indicate to the ultimate purchaser its country of origin, so we can see this plainly on store shelves. Generally, what we see is the country where the final assembly of a product took place.

If you were to walk through some of those foreign factories, you would get a very different picture. Almost every sophisticated manufacturer uses some kind of lean production system that pulls raw materials in from a warehouse. And if you look at where the raw materials came from, you would find they come from all over the world. During a recent visit to an Asian factory that assembled sophisticated medical instruments, I saw sub-assemblies from Massachusetts and other parts of the United States, Singapore, China, Japan, and Malaysia.

It is hard to discern the whole picture, because the parts often have passed through many countries before they reached that final assembly point.

The raw wafer for an iPhone chip might have been processed in Texas before it was shipped to a factory in Taiwan to be diced into individual chips and tested, then wire bonded into a package before going to a parts distribution center, before finally making it to that assembly line in Zhengzhou, China. Such global sequential production systems are dependent on the free movement of goods with minimal tariff and non-tariff barriers.

Why are supply chains structured this way with tiers of component makers who assemble progressively larger pieces? A big reason is technological complexity. Long gone are the days of vertical integration when a manufacturer could make everything itself. In high-tech products, specialists focus on narrow slices of the value chain where highly specialized skills are necessary.

The LCD touchscreen in your iPhone is extraordinarily complex to manufacture, and only a handful of companies in Japan, Korea, Taiwan, and China have invested in the capabilities and manufacturing capacities to make them. They, in turn, buy components and materials from another tier of specialists located mostly in Japan and Korea.
The supply chain looks like a web with many tiers, and each major sub-component has its own web.

Since there is no supply chain in the United States, you couldn’t make it in America if you wanted to — unless you imported each and every part, and by the time you packed them up and shipped them, it would cost more than importing the completed touchscreen.

Similarly, as cars get more complex and incorporate more electronics content, a greater percentage of the parts will come from outside the walls of the traditional assemblers like General Motors. Automatic lane-change or braking systems, electric power steering, complex engine controllers — all require microcontrollers and power semiconductors. It simply is neither possible nor practical to be the best at building everything oneself. That is one of the forces behind the dramatic changes in the U.S. automobile industry over the last five years. While production is approaching all-time highs, the percentage of parts that come from U.S. sources continues to steadily decline.

Does this mean everything will eventually come from China? Far from it. Consider China’s efforts to build commercial aircraft. It incorporates engines assembled in North Carolina with turbine blades made in Mississippi and a low-pressure section from France.

And the very expensive automated-assembly system that did some of the work on its wings came from Washington State and incorporates Kuka robots made in Germany. Or look at the new Airbus A350 XWB with fuselage sections coming from North Carolina and an auxiliary power unit coming from Arizona.

One of my friends is the CEO of an Ohio-based company that makes components for the brakes of Boeing’s 787 Dreamliner. It ships them to a French company, which assembles the landing gear and then sends them to Washington State or South Carolina.

Would raising tariffs on Chinese goods cause manufacturers to move production to the United States?

Not if the parts aren’t already made in the United States. Raising barriers will mostly lead to more complexity for U.S.-based assemblers of all kinds.
And U.S.-based exporters of components will likely face countervailing tariffs and more difficulty securing spots in global supply chains. It might even lead to more factory relocations out of the United States.

Source: hbr.org - May 02, 2016

Turkey: The future of textile industry ready to change fashion

Take a look around the objects in your kitchen: Do you have oranges, coffee beans or fancy Japanese flowers in your kitchen? If you do, you will be surprised to know that these are just some of the edible materials that are now being used in the textile industry, making Egyptian cotton a thing of the past.

The textile industry has been around for thousands of years, providing us with comfortable clothing we have grown to love - our favorite wool jumpers, silk blouses and spandex workout clothes. The Futurotextiles MIX exhibition at CerModern is changing the status quo in the textile industry, taking us away from traditional fabrics and introducing us to an entirely different side of the fabric industry - one that is practical, useful and sustainable in the long term.

"The Futurotextiles MIX exhibition allows us to discover the unknown aspects of the textile world. It is an exhibit of prototypes, and its goal is to show that textiles are becoming technical materials that are innovative and smart," said Caroline David, the curator of the exhibition. "The aim is to reveal that different textiles can be made from unthinkable materials and also demonstrate how textiles can be found anywhere."
It starts with the small stuff; the beauty is in the details. Futurotextiles MIX uses surprisingly unexpected items in their fabrics, giving new meaning to the term "multi-purpose." Bamboo is ground into a fine powder and then formed into a paste that is used to produce fibers - and the fascinating process doesn't stop there. Fish scales, the exoskeleton of a crab, basalt rock, coffee and even milk are all used to make fibers that produce textiles that are luxuriously soft to the touch.

The process is interesting, providing innovative ideas and invaluable knowledge to the textile industry, with an outcome that is just as surprising. Bungee jump cords are used to create sturdy hangers and the aforementioned basalt rock creates strong wires. Flower stems are used to create fibrous material, as well.

This exhibit is only the beginning for Futurotextiles MIX, which has much more to offer. "There are two parts to the exhibition, with the first being didactic," Caroline explained. Indeed it is, with a glimpse into how products have been up-cycled to create cloth. The second part of Futurotextiles MIX puts these textiles into use in the field in a way that is both technologically innovative and creative.

"It presents industrial and artistic objects that show an innovative aspect of the textile sector to the world," said Caroline. For example, the use of textiles in medicine. Standard water resistant material is already being used in the medical field, but so are antibacterial scrubs available for those who work in fields without constant access to sanitary supplies.

What takes it steps forward are heat sensitive patches on clothing that detect whether a child is ill, the heart monitors sewn into clothes that automatically dial for help - should anyone suffer from a heart attack - and the synthetic aortas. Although these products sound cutting edge, Caroline pointed out, "These have been used by medical professionals for many years." This is not the only way that technology has woven its way into the textile industry.

In one of the exhibition's more exciting segments, LED fiber-optic technology has been incorporated into textiles to light up works of art. This has made its presence known more popularly in Daniel Buren's work and in high fashion.
While it has a pleasing effect as a result, light is not solely used to illuminate craftsmanship but also used for its original purpose: light conversion. The conversion of light into energy is found in prototypes that use solar powered patches in clothes that allow users to charge their phones via their attire. Light is just as vital when it comes to cultivating vineyards. Metallic sheets spread over the ground, reflect light off into grape vines, which effectively assists in growing higher quality grapes.

The influence of the technology displayed in Futurotextiles MIX is felt all the way to the dinner table.

The incorporation of technology into textiles extends its grip not only to medicine and art but also to sportswear. The material used to make this apparel ranges from shock absorbing padding fitted inside clothing to sports attire that assists in fat burning and inflatable helmets that puff up whenever there is any sudden contact with a foreign object.

Inflatable technology doesn't just stop there, though, with inflatable surfboards and sofas on display. These are objects that possess the sturdiness of a coffee table as opposed to the expected sturdiness of a waterbed.

The innovation displayed so efficaciously at Futurotextiles MIX points to a developing and constantly evolving textile industry, but could they also offer a potential solution to present issues? "These textiles can resolve some problems like the economy of energy and environmental issues. They are lighter and more resistant, and they remove the burden of heavy materials when it comes to transport.

A lot of textiles can also be made by recycling materials and plant waste," Caroline said. If, for example, foods such as milk, coffee and oranges, were repurposed and used to create textiles, there would be less waste overcrowding landfills.
Add this to the practice of using recyclable products to make textiles, and you will have a viable environmental solution to waste. Futurotextiles MIX is on at the CerModern from April 2 to May 12, open from Tuesday to Sunday.

Source: dailysabah.com - May 02, 2016

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**Bangladesh: Better skills to produce more jobs in apparel: WB**

Bangladesh can create millions of jobs in its garment sector by raising productivity of people and improving social and environmental compliance, the World Bank said in a study yesterday.

Currently, the country’s garment sector employs 4.4 million workers, 80 percent of whom are women.

A 1 percent increase in Chinese apparel prices could hike firms’ demand for female labour by 0.44 percent in Bangladesh, and a 1 percent increase in output could raise firms’ labour demand by about 0.3 percent, according to the study.

It also said a 1 percent increase in Chinese apparel prices could boost the demand for Bangladeshi apparel items in the US by 1.36 percent.

China is the largest apparel supplier having a 41 percent global market share; Bangladesh is the second largest with a 6.4 percent share. Bangladesh is likely to be benefitted from the shift of work orders from China, as the economic giant is losing its market share due to higher costs of production.
The WB said a 1 percent increase in apparel output is associated with a 0.3 to 0.4 percent hike in employment for both men and women in Bangladesh, Pakistan and Sri Lanka. These results suggest the sector has greater potential for job generation in South Asia in response to an increase in exports than other industries, especially for women.

The study findings also suggest a significant employment generation potential for both males and females in all four South Asian countries -- Bangladesh, India, Pakistan and Sri Lanka -- for export to the US markets. However, Sri Lanka is the big winner in respect to the EU market.

The study also found that, for the US market, a 10 percent increase in Chinese apparel prices would raise apparel employment in Pakistan for males by about 8.93 percent, followed by Bangladesh with 4.22 percent, India 3.32 percent and Sri Lanka less than 1 percent.

For the EU market, a 10 percent raise in Chinese apparel prices would increase apparel employment in Sri Lanka for males by 8.55 percent, followed by India with 4.30 percent, with Bangladesh and Pakistan experiencing small decrease.

The study -- Stitches to Riches? Apparel employment, trade, and economic development in South Asia -- was conducted with data from 2012.

The WB Bangladesh office shared the findings of the study at a seminar at the Bangladesh Institute of Development Studies (BIDS) office in Dhaka. The WB report highlights that Bangladesh needs to improve performance on non-cost factors important to global buyers.

Successfully implementing reforms will help Bangladesh increase exports and capture more jobs from China’s gradual exit from the clothing market and compete with Vietnam, Cambodia and Indonesia.

For the US market, a 10 percent increase in Chinese apparel prices would raise apparel employment in Bangladesh by 4.22 percent.

Mustafizur Rahman, executive director of the Centre for Policy Dialogue, said: “We have to take into account the productivity factor of workers, if we want to export more.”
Moreover, Bangladesh's preferential market access to the US will decrease further once the Trans-Pacific Partnership Agreement comes into effect as Vietnam will get duty-free market access to the American market under the treaty, he said.

In the entire value chain in garment trade, Bangladesh's local value addition is 40 percent while it is 100 percent in India. So it is difficult to evaluate in gross export value as Bangladesh's value addition is lower than other competing countries, he said.

Skill upgradation, efficiency and increasing productivity of the workers are the major challenges for Bangladesh in the garments business, he said. Rahman suggested the garment factory management should promote women workers to upper levels.

Zaid Bakht, an economist and chairman of Agrani Bank, said Bangladesh's garment sector is at a crossroads for two reasons -- social and environmental compliance and technology upgradation.

Nazneen Ahmed, senior research fellow at BIDS, said a lot of foreign technical experts are employed in the garment sector due to a lack of skilled workers in the country.

“This is one of the major reasons for higher costs of production in Bangladesh. We should produce skilled workforce for the sector,” she said. “The apparel sector in Bangladesh tells a remarkable story of women's empowerment by significantly increasing female participation in the labour force,” said Qimiao Fan, the WB Country Director for Bangladesh, Bhutan and Nepal.

“The apparel industry is extremely important to Bangladesh's economy, accounting for 83 percent of total exports. The potential decrease in Chinese exports presents a huge opportunity for Bangladesh, if it can meet global buyers' requirements for cost, quality, lead time, reliability and compliance with safety standards and other policies.”

In Bangladesh, the industry is dominated by local firms, but foreign direct investment played a central role in launching the industry, providing linkages to foreign buyers, technology, and knowledge transfer, the study said.
“Its apparel firms produce large quantities of clothing at low costs, largely due to its low wage rates.

Firms mostly specialise in low-value and mid-market price segment apparels -- trousers, knit and woven shirts, sweaters/sweatshirts -- and have not penetrated the high-end clothing markets so far,” according to the study.

Competition is increasing in the global apparel market with buyers moving towards greater consolidation in sourcing decisions and the impending approval of the Trans-Pacific Partnership, said Gladys Lopez-Acevedo, co-author of the report and a lead economist for the World Bank. “Bangladesh should capitalise on its position as a regional leader and implement policies to improve the quality of its products.

Bangladesh should focus on sustaining the creation and expansion of good jobs, bringing more women into the workforce and diversifying its products and end markets to increase skills and value,” said Acevedo, who presented the findings at the seminar.

The WB study said Bangladesh has many policy options to increase exports. For improved product quality and diversity, reducing import barriers to manmade fibres is essential.

Bonded warehouses, duty drawback, cash subsidy, and export processing zones could also help. To improve compliance and better safety standards, one potential option could be to encourage the relocation of firms into export processing zones, the study said.

Source: thedailystar.net - May 03, 2016
Cambodia Garment sector grows another 13 pct: report

Cambodia’s garment and footwear exports grew by 13 per cent year-on-year in the first quarter of 2016, Chinese news agency Xinhua said on Monday, citing a report by the Ministry of Industry and Handicraft.

Locally based manufacturers exported products worth $1.55 billion during the January-March period, up from $1.37 billion during the same period last year, the report said, adding that the major markets for the items were Europe, the United States and Canada.

Cambodia’s garment and footwear sector accounts for about 80 per cent of the country’s total exports.

Source: phnompenhpost.com - May 03, 2016

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America’s trade deficit begins at home

Thanks to fear mongering on the US presidential campaign trail, the trade debate and its impact on American workers is being distorted at both ends of the political spectrum. From China-bashing on the right to the backlash against the Trans-Pacific Partnership (TPP) on the left, politicians of both parties have mischaracterised foreign trade as America’s greatest economic threat.

In 2015, the United States had trade deficits with 101 countries—a multilateral trade deficit in the jargon of economics. But this cannot be pinned on one or two “bad actors,” as politicians invariably put it. Yes, China—everyone’s favorite scapegoat—accounts for the biggest portion of this imbalance. But the combined deficits of the other 100 countries are even larger.

What the candidates won’t tell the American people is that the trade deficit and the pressures it places on hard-pressed middle-class workers stem from problems made at home. In fact, the real reason the US has such a massive multilateral trade deficit is that Americans don’t save.
Total US saving—the sum total of the saving of families, businesses, and the government sector—amounted to just 2.6% of national income in the fourth quarter of 2015. That is a 0.6-percentage-point drop from a year earlier and less than half the 6.3% average that prevailed during the final three decades of the 20th century.

Any basic economics course stresses the iron-clad accounting identity that saving must equal investment at each and every point in time. Without saving, investing in the future is all but impossible.

And yet that's the position in which the US currently finds itself. Indeed, the saving numbers cited above are “net” of depreciation—meaning that they measure the saving available to fund new capacity rather than the replacement of worn-out facilities. Unfortunately, that is precisely what America is lacking.

So why is this relevant for the trade debate? In order to keep growing, the US must import surplus saving from abroad. As the world’s greatest economic power and issuer of what is essentially the global reserve currency, America has had no trouble—at least not yet—attracting the foreign capital it needs to compensate for a shortfall of domestic saving.

But there is a critical twist: To import foreign saving, the US must run a massive international balance-of-payments deficit. The mirror image of America’s saving shortfall is its current-account deficit, which has averaged 2.6% of GDP since 1980.

It is this chronic current-account gap that drives the multilateral trade deficit with 101 countries. To borrow from abroad, America must give its trading partners something in return for their capital: US demand for products made overseas.

Therein lies the catch to the politicisation of America’s trade problems. Closing down trade with China, as Donald Trump would effectively do with his proposed 45% tariff on Chinese products sold in the US, would backfire. Without fixing the saving problem, the Chinese share of America’s multilateral trade imbalance would simply be redistributed to other countries—most likely to higher-cost producers.
I have estimated that Chinese labor compensation rates remain far less than half of those prevailing in America’s other top-ten foreign suppliers. If those countries were to fill the void left by a penalty on China, like the one that Trump has proposed, higher-cost producers would undoubtedly charge more than China for products sold in the US. The resulting increase in import prices would be an effective tax hike on the American middle class. That underscores the futility of attempting to find a bilateral solution for a multilateral problem.

The same perverse outcome could be expected from the reckless fiscal policies proposed by other politicians. Take, for example, the ten-year $14.5 trillion federal government spending binge proposed by Democratic presidential candidate Bernie Sanders—a program judged to be without any semblance of fiscal integrity by leading economic advisers within the very party whose nomination he seeks.

Government budget deficits have long accounted for the largest share of America’s seemingly chronic saving shortfall. The added deficits of Sandersnomic, or for that matter those of any other politician, would further depress America’s national saving—thereby exacerbating the multilateral trade imbalance that puts such acute pressure on middle-class families.

Seen through the same lens, mega trade deals, such as the TPP, would also have an important bearing on pressures that squeeze American workers. The TPP would effectively divert trade flows from those countries that are not a part of the agreement to those that are.

With China excluded from the TPP, the same phenomenon noted above would result: American middle-class families would be taxed by the diversion of trade away from low-cost non-TPP producers such as China toward higher-cost TPP signatories such as Japan, Canada, and Australia.

In short, trade bashing is a foil for the vacuous promises that politicians of both parties have long made to American voters. Saving is the seed corn of economic growth—the means to boost American competitiveness by investing in people, infrastructure, technology, and new manufacturing capacity.
The US government, through decades of deficit spending and advocacy of policies that encourage households to consume rather than save, has forced America to rely on foreign saving for far too long.

This has undermined US competitiveness, punishing workers with the job losses and wage compression that trade deficits invariably spawn.

America’s 101 trade deficits don’t exist in a vacuum. They are a symptom of a deeper problem: a US economy that has lived beyond its means for decades. Saving is but a means to an end—in this case the sustenance of a thriving and secure middle class. Without saving, the American Dream is in danger of becoming a nightmare.

The trade debate of the current presidential campaign heightens that risk.

Source: financialexpress.com- May 03, 2016
NATIONAL NEWS

Cold comfort for exporters

Merchandise exports fell in March for a 17th month in succession. During financial year 2015-16, exports contracted by $49 billion, a drop of 15.9 per cent over the previous year.

The commerce ministry said the trend is in line with other major world economies. And, that in volume terms, the fall is not as severe as in value terms, and that the trade deficit is also falling, due to a fall in import and a net surplus in services export.

That is cold comfort for exporters who expect the government to take some steps immediately to give them some relief. They're struggling to fulfil the export obligation (EO) against authorisations issued under the duty exemption scheme and Export Promotion Capital Goods (EPCG) scheme.

The EO period can be extended for all advance authorisations and EPCG authorisations by two years through a public notice, without requiring the exporter to seek any endorsements. That will reduce the need to approach the authorities for EO period extensions or policy relaxations. A similar initiative was taken in 2009 by the previous government.

Export Oriented Units (EOU) and those in special economic zones (SEZs) are finding it difficult to meet the positive Net Foreign Exchange Earning criterion.

For monitoring the performance of EOU and SEZ units, two years can be declared as blank years. Such a relief was given by the government in 2002. There is no reason why this one cannot do so.

The second EO period extension for advance authorisation holders is allowed only if at least half the EO is fulfilled on a pro rata basis. Also, the composition fee at 0.5 per cent on the unfulfilled EO for every month of extension is steep. These conditions can be diluted and composition fees relaxed. That will reduce costs and hassles for exporters.
The Merchandise Exports from India Scheme (MEIS) gives transferable duty credit scrips at notified rates to exporters. These can be used for payment of customs or excise duties and service tax. The scrips are given on the basis of export proceeds realised.

The procedure requires exporters to first apply to the licensing authorities, then take the scrips to the Customs for registration and then utilise or sell it. Beside costs, this process takes time before the benefits are realised in cash because the benefit accrues to the exporter only upon sale of the scrip or utilisation of the scrip for excise or customs duty or service tax payment.

It would be far better to disburse the MEIS benefits in cash immediately after export, the way duty drawback is disbursed.

That way, intervention of the regional offices of the Directorate General of Foreign Trade can be eliminated, reducing the costs and delays considerably.

Many exporters doing projects abroad find the retention money comes in quite late.

They have to wait till that part is realised before filing MEIS claims or forgo the benefits on retention money portion.

The government should enable exporters to file supplementary MEIS claims for retention money realised later.

These are only some of the many facilitating measures the government can take to help exporters. These do not involve outlay of more money.

So, there is no reason to dither on taking these decisions.

Fashion brand Zara cuts prices by 10-12%

Spanish fashion brand Zara has cut its merchandise prices by 10-12 per cent to make it more affordable for Indian buyers, said sources in the know.

The cuts were initiated late last year to coincide with the entry of its arch rival H&M into India, sources added.

"There is a slight change in pricing but Zara has introduced wider merchandise," said a senior executive in a mall who declined to be identified.

Zara operates 16 stores in the country and is looking to open more in the coming quarters. Operational in India for the past six years, Zara has a joint venture with Tata's Trent here.

Although it has become the fastest fashion brand to achieve $100 million revenues, its sales growth has slowed. According to the Trent annual report for FY15, Zara's sales in India were down from 43 per cent in FY14 to 23 per cent in FY15.

According to the executive cited above, Zara's prices are 30 per cent higher than that of H&M. "The entry price at Zara is Rs 2,200 apiece, but the same is Rs 1,500 in H&M. So, Zara wanted to be a little more affordable when its biggest rival entered in India."

When contacted, a spokesperson of Inditex, which owns the Zara brand, said: "Regarding our prices, we cannot confirm your premise. Inditex sets the prices at which it sells its products independently in each of its operating markets so that their commercial positioning is the same across the board: quality products characterised for their design component that retail at compelling prices. In this sense, our price policy has remained stable in the 90 markets where we are present."

After opening stores in October 2015, H&M has opened stores in Delhi, Bengaluru and Noida. It is looking to open stores in Mumbai and Mohali this year.
"But Zara has grown double despite H&M opening in India," the executive added.

Fashion experts said global brands are doing everything to succeed in the Indian market. Prashant Agarwal, joint managing director at Wazir Advisors, said the overall discounting in apparel in developed markets is 15-16 per cent. In India, it has been five to six per cent so far. With all these international brands such as Gap, H&M and Zara, the same norms will apply, Agarwal said.

"There aren't many markets in the world where all the three landed at the same time. In a relatively small market that is not growing at best and with such severe competition, all these brands will do everything possible to garner market share," he said.

Added Jaydeep Shetty, CEO at fashion chain Mineral: "I do not think dropping prices is simply a solution to combat H&M. It's presumptuous to think that the Indian market cannot support both brands adequately. Zara has a fashion forward image globally as well as in India, vis-a-vis H&M. H&M has a higher 'disposable fashion' image and its clothes are cheaper."

He said H&M also has more basics compared to Zara as well as a better sell-through on knitwear, and a broader colour palette. "These are natural advantages in a market like India, which appreciates vibrancy in colours."
H&M and Zara are also present within the same malls in the national capital region. For instance, both are present in Select City Walk (Delhi) and Mall of India (Noida). In Mumbai also, H&M is planning to open in space adjacent to Zara in High Street Phoenix and within Phoenix Market City in Kurla where Zara has a store.

A source in Inditex Trent said the fashion market in India is large enough to accommodate many brands. "Seventy-five to 80 per cent of the market is unorganised and the brands are just tapping the switch from unorganised to organised," said the source.

Zara has 7,013 stores worldwide as of January this year. H&M has 3,900 stores in 61 markets.


Top fashion brands like Steve Madden, Timberland trying online route in India

Several high fashion brands are taking the online only route to enter India, taking advantage of the absence of regulations around selling through third party portals and owing to factors like lack of quality infrastructure and high real estate costs. Under current regulations, the global brands do not require a licence to sell in India through online portals if they do not have operations here.

Amazon this month signed exclusive deals with four fashion brands — Bjorn Borg, Drunknmunky, Replay and Rockland — to sell their products exclusively in India. It had also signed up with American brand Aeropostale recently. Mayank Shivam, category leader for Amazon Fashion, said the number of brands on the portal has more than doubled over the past six months, and it has more than two million fashion products now.

"Our men's apparel selection has grown over 450% since the launch with over 200% year-on-year growth in sales, and western apparel selection for women has seen over 800% growth in sales over the past one year.
Customers can now shop for brands such as Superdry, Gas, Quicksilver, Gant, Calvin Klein, Roxy, Fossil, Steve Madden, The Hub, British Knights, CR7, Desigual, and Dune among others across categories," he said.

Gunjan Soni, chief marketing officer at Myntra Fashion, said the fashion portal has signed exclusive tie-ups with brands like Timberland and Parfois. Myntra has also tied up with others like Mizuno, The North Face, Brooks Brothers, Silvian Heach and Jeep over the last quarter.

It is in talks with others, she said. "We have been getting calls from several brands. Lack of quality infrastructure and high real estate costs can be limiting for brands. Even the brands that have a physical presence here realise that they are only restricted to a few cities, and online platforms can provide them a wider reach," Soni said. Analysts say the online-only strategy is ideal for global brands to test the market.

"It's a win-win situation for all and brands are using this route to test the market," said Paresh Parekh, partner at EY. "While brands need licences for single brand retail, no licences are required if they are selling through online portals and don't have a physical presence here," he said.

Swedish brand Bjorn Borg, which has stores in seven European countries, launched its leather sneaker collection and men's innerwear on Amazon this month, while Drunknmunky, a Californian brand, is launching their sneaker and running shoes range for both men and women.

"India is one of the fastest growing economies and we are delighted to launch the brand online in order to provide maximum possible reach," said a spokesperson of Drunknmunky.

Source: timesofindia.com -May 01, 2016
Filament yarns export value declines to US$54.3m, down 17.1%

In March 2016, all types of filament yarns export aggregated 34.7 million kg, declined 10.5 per cent YoY while value was down 17.1 per cent to US$54.3 million. Filament yarns include polyester, nylon, polypropylene and viscose filament yarns and were exported to 77 countries during the month.

More than 89 per cent of filament yarns were of polyester, of which, DTYs were the largest at 70.2 per cent. Brazil and Turkey continued to be the major importers of polyester filament yarns, followed by Bangladesh.

The three together accounted for 42.4 per cent of polyester filament yarn exports. Brazil was also major importer of polyester DTYs and Turkey was major importer of PFYs.

Sri Lanka was the major importer of nylon filament yarn in March while USA and Italy were the other largest markets for nylon filament.

Polypropylene filament yarns were exported to 15 countries in March and Kenya was the major importer of PP yarns. Malaysia and Hungary were the other major importers of PP filament yarns in March.

Viscose filament yarns were exported to 23 countries from India in March valued at US$3.85 million. During the month, 183,000 kg of VFYs were exported to Germany. It was followed by Japan and Turkey.

Source: yarnsandfibers.com- May 02, 2016

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Blended yarn price inches up in India

Blended yarn prices rolled over in China and Pakistan in the third week of April while they inched up in India on demand supply fundamentals.

In India, PV yarn prices inched up on recent upward revision in VSF and PSF prices while polyester-cotton rose on firmness in cotton prices. 30s (65/35) PV warp yarn prices gained another INR1 a kg (up US cents 2) in the third week of April in Indore market. In Ludhiana, PC 30s (52/48) prices increased INR2 a kg (up US cents 3).

In China, yarn prices have not changed although cotton fibre prices have bottomed out on the domestic market while PSF price went stable.

In Qianqing, PC (65/35) 32s yarn prices rolled over while 45s PC combed yarn prices were flat on the week.

In Pakistan, lower-count PC yarns prices were relatively flat by contrast although operating rates recovered at spinning plants with the end of winter season. 24 PC (52/48) carded yarn price were unchanged on the Faisalabad market while 30s rolled over during the week.

Source: yarnsandfibers.com- May 02, 2016

Retail outlets highlight traditional prints, designs

Thirty-three-years-old Revathy at Dindigul is weaving for the last 10 years. She takes two days to weave a 6.2 metre sari and moves her hands and legs 19,600 times to weave a sari.

Though not earlier, customers who buy a hand-woven sari at Co-optex can know the weaver’s name and experience from a tag attached to the sari.
Hand-woven

There are also tags that certify if a product is hand-woven, is made out of pure silk, or is organic.

More retailers are having space and a wider product range at the outlets of hand-woven, organic, traditional textile products and are educating customers on these.

Buyers are becoming more aware of the workmanship of handloom textiles. For them, it is an exclusive product. “Handloom saris are appreciated for their design, intricacy and texture. And, there is a wide range even in handlooms. Jamdani weaves, Kadva designs with intricate Meena work, and Kalamkari work by hand are designs that can never be replaced by power looms.

As trends and styles are changing, weavers are experimenting with different blends of yarns and prints to produce a variety of textures and designs,” says Paras Jain from Mahaveers group.

“Handlooms are always in demand. We introduced recently organic saris for which yarn is spun organically cultivated cotton. Vegetable and fruit dyes are used to add colour to the saris,” says Natrajan, Manager of Co-optex.

At Fab India, there are ranges with lambadi, lucknavi, and chicken kari embroidery and ajark, bach, batik, kalamkari prints.

The outlet has monthly promotions for different prints, colours, designs, etc and each of the prints and embroideries are promoted during a month. The demand now is more for different kinds of prints.

Source : thehindu.com– May 02, 2016

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CAL, Monsanto want farmers back in Bt fold

After remaining unsuccessful in bringing back cotton farmers into the Bt cotton fold last year, the Indian Cotton Association Limited (ICAL), along with a private company, Monsanto, is also striving to do the same. To achieve their goal, ICAL and Monsanto have launched a project ‘Sankalp 2016’.

A team visited Jiwan Singhwala village in Bathinda today and gave their advice to the farmers on cotton crop. The advice will be given to all farmers in 10 villages of Punjab, Haryana and Rajasthan, which were adopted by them.

Project Sankalp is a joint initiative of the ICAL and Bollgard team to create awareness on the right agronomic practices in cotton cultivation among the farmers under the village adoption programme.

Under the programme, the Sankalp team has adopted 10 villages this year whereas last year, they had adopted seven villages, including Gehri Bhagi, Shergarh and Gurusar Sehnewala villages of Bathinda district.

This year, the ICAL along with Mahyco Monsanto Biotech Ltd, has adopted villages in two clusters each in Bathinda, Fazilka in Punjab, Hisar and Sirsa in Haryana and Hanumangarh in Rajasthan. Last year, 300 farmers worked under the project.

The team suggested that the farmers use around 35 kg of urea three consecutive times to reduce the chances of a whitefly attack and then avoid using insecticides along with NPK to counter the whitefly. However, some farmers immediately objected to the claim of Monsanto employee, who was speaking on the dais.

The team conducted a training camp for the farmers of Jiwan Singh Wala village of Talwandi Sabo and suggested that the farmers complete their pending urea fertilisation.

However, the team members attempted to blame the farmers for the wrong use of pesticides and by mixing them. But the farmers objected to the team’s claim.
After this, Sukhdev Singh Chahal, who had earlier left the Congress and joined the PPP, but later returned to the Congress, also supported the claims of the company and blamed the farmers for the loss of cotton crop due to whitefly and use of wrong pesticides.

Addressing the farmers, Chahal said they should boycott the arhtiyas who were on the run after raids conducted over duplicate pesticides.

He later claimed, “Earlier, during the Congress regime, when Rajinder Kaur Bhattal was the Punjab Agriculture Minister, I personally checked the pesticides of a private company, Thapar, and found it consisted of only 25 per cent medicine whereas 75 per cent was useless as it was fake.” He urged the farmers to remove weeds in the village to curb the whitefly growth.

“Farmers suffered a loss of Rs 3,250 crores, labourers suffered a loss of Rs 325 crores whereas the arhtiyas faced a loss of Rs 60 crores. Paddy is not a beneficial crop, rather the government had popularised its cultivation by providing free electricity at the cost of government exchequer, but I am not against this subsidy,” added Chahal.

Speaking about the failure of the Sankalp project last year, ICAL president Rakesh Rathi said, “The Sankalp field team is supporting the farmers in the field to guide them on crop management and field scouting. The change cannot be brought about overnight.”

He claimed that last year, project Sankalp had not failed completely as the ICAL received good yield from the farmers. However, he could not clarify the clusters from which they got the highest yield.

Source: tribuneindia.com - May 03, 2016
Achalpur based farmers’ co look to supply lint to textile giant Raymond

Krushi Samruddhi Producer Company Ltd, a farmers’ company promoted by Ravikiran Patil, an engineer-turned-social activist, looks to do business with textile giant Raymond Ltd, as it builds Rs1400 crore plant at Nandgaonpeth in Amravati. They look to supply lint (processed cotton) to Raymond. A meeting of representatives of the two companies facilitated by chief minister Devendra Fadnavis is expected to be held next week.

Based in Achalpur town, this farmers' company came into existence two years ago. Formed under state government’s convergence of agriculture intervention in Maharashtra programme, at present it has 2,000 shareholders and the share capital stands at Rs4 lakh. The government has infused Rs2 lakh with an equal amount subscribed by the farmers, said Patil, also a director in the company.

The shareholders are farmers in the vicinity with each one holding a single share. Most farmers have holding below 5 acres bringing them into small and medium category growers. They have clocked a turnover of Rs3.68 crore so far. However, this cannot be compared with any conventional business.

Their company does not directly deal in the farm produce but facilitates. They facilitate contract farming arrangements for members. The income earned by the farmers through such deals is taken as their turnover. It is a no-profit-no-loss company with discounts earned on bulk purchases of raw material also passed on to the farmers.

A group of 60 farmers associated with the company have undertaken cotton ginning operations. Instead of selling raw cotton for a small margin, they decided to sell lint instead. Textile industry buys lint which is made after separating seeds out of raw cotton.

They began with making 110 bales of lint. The first lot was sold to Netherland-based Louis Drefus through a local stockist as the company does not have direct export licence. The next year production was doubled with the lint sold to Indore-based based Laxmi Cotton Mills. Patil claimed this year it had a stock of 1200 bales which are being disposed of as and when profitable deals happen.
With Raymond, there are plans to jack up the production 10 times at 12,000. The company is already getting calls from farmers in the area to join the group. The bales would have to be made according the Raymond's standards of length and weight which will be discussed in next week's meeting, said Patil. A similar deal is planned with Siyaram's too.

Patil admitted this year the profits were just Rs300 a quintal more than what would a farmer gain if he sold raw cotton. Last two years were better with a premium of Rs500 and Rs700 per quintal of cotton sold after processing into lint. It is a part of business so they have to be prepared for ups and downs.

Ravi Agrawal, a cotton ginner in Paratwada, said that he was aware of the company's activities and it was indeed helping the farmers. The company has been set up based on government's idea of making the grower sell his produce directly to the end-user.

The business idea came up during discussions with farmers themselves. It was seen that selling raw cotton through middlemen fetched them around Rs4000 to 4500 a quintal. Lint fetched them Rs32,700 per candy (2 bales). Each quintal of cotton generates 37kg of lint.

A candy weighs 370kg. Around 10 quintals of raw cotton go in making one candy of lint. Apart from it farmers sell 650 kgs of cotton seeds generated at Rs2250 a quintal.

Source : yarnsandfibers.com- May 02, 2016

'$50 bn savings if logistics costs cut to 9% of GDP'

India can save up to $50 billion if logistics costs are brought down from 14 per cent to nine per cent of country's gross domestic product (GDP) thereby making domestic goods more competitive in global markets, according to an Assocham-Resurgent India joint study.

“With expected inflow of new investments owing to government's thrust on promoting domestic manufacturing sector, India's cargo and logistics industry is likely to clock a compounded annual growth rate of about 16 per cent during the course of next few years,” noted the study on 'Cargo
and Logistics Industry in India,' conducted by Assocham and knowledge firm Resurgent India.

“The 'Make in India,' campaign will see investments connect India to global production networks that would generate new business for logistics in the country thereby making it an attractive location to do business as compared to other regions in the world,” it said.

“Growth in logistics sector would imply improved service delivery and customer satisfaction thereby leading to growth in exports of Indian goods and potential to create job opportunities,” the study said further.

However, the government needs to put in place requisite infrastructure to keep pace with development across the world. “This will help in bringing down the costs considerably, boost gross domestic product (GDP) and generate employment opportunities.”

“Appropriate policy changes and opening up capacity together with increase in speed for transportation of goods and services through various modes, viz., rail, road, water and others is imperative for the growth of cargo and logistics industry in India,” said D.S. Rawat, Secretary General of Assocham while releasing the study.

“Transportation of bulk commodities through waterways can free up capacity for fast moving goods, besides, setting benchmarks and standards for industry will drive uniformity of warehouses, storage and transport equipment,” Rawat said.

Access to cheap capital should be made available to logistics service providers for investments in infrastructure, enabling them to extend longer credit periods to their clients and supplementing their working capital, the study suggested.

“The government should create a uniform tax structure and do away with multiple checkpoints and documentation requirements which would lead to speedier delivery of cargo,” it said.
The study highlighted that the passage of the Goods and Services Tax (GST) Bill will further improve the logistics sector's performance by bringing down distribution costs by up to 15 per cent.

Source: fibre2fashion.com  May 02, 2016

FTA talks: India accuses EU of adopting delaying tactics

Amid reports that India has developed cold feet on the India-EU Free Trade Agreement (FTA), the government has accused the European Union (EU) of adopting delaying tactics and not showing any interests in taking the talks further.

At the 13th Indo-EU Summit held in Brussels late last month, Prime Minister Narendra Modi and his Belgian counterpart Charles Michel had pitched for resumption of FTA talks on “mutually agreed terms”.

According to commerce and industry minister Nirmala Sitharaman, “India has written to EU trade negotiators for dates to resume trade talks, but there has been no response yet”. The minister, who chaired a consultation meeting with economists and media observers on ‘FTAs & India: the way forward’ organised by New Delhi-based think tank RIS, said the perception of India being a laggard on global trade negotiations needs to be fought both by the government and other stakeholders.

Dismissing allegations that New Delhi’s “negative and protectionist” attitude was the reason for delays, Sitharaman said the delays were due to the partner nations who are opposing India’s ‘ambitious offers’ in terms of services and investment.

The negotiations are going on for FTAs with EU, Australia and RCEP (Regional Comprehensive Economic Partnership) among 16 nations from Asia-Pacific, also comprising India.

Having expertise in the trade of services, India has been proposing for elimination of restrictions on temporary movement of skilled workers in all these FTAs on a mutual basis.
According to the minister, countries like Australia, and EU, want removal of tariffs from India on even sensitive products like agriculture and industrial sectors with regard to the proposed FTAs. However, Sitharaman said India will not succumb to such pressure.

EU has been pushing India to agree to lower duties on automobiles as a pre-condition for resuming FTA negotiations. However, according to senior officials in the ministry, India has the right to protect its domestic auto industry.

Sources added that the perception that India is indulging in delaying tactics has been compounded by recent comments made by the NITI Aayog, which insisted that India enter into a free trade pact with EU even if the country has to compromise, or else the benefits from rising wages in China will go to nations like Bangladesh and Vietnam.

NITI Aayog CEO Amitabh Kant had last week said it was “better to compromise on wine and cheese and on large vehicles to push for our apparel exports with Europe” so that India could penetrate these global markets because “this is one sector which will enable us to create large-scale jobs”.

During Sitharaman’s recent visit to Brussels for the talks on FTA, her counterpart expressed regrets for not making it to the meeting. But the minister met other officials of EU.

According to officials, on her return to India, the commerce ministry wrote to EU for setting up dates for taking talks forward.

According to officials, the negotiations on the proposed India-EU FTA have been delayed due to the uncertainty over ‘Brexit’, a possibility of Britain leaving EU.

Talks for FTA, officially known as the Broad-based Trade and Investment Agreement (BTIA), have been stalled since May 2013, as both sides are yet to bridge substantial gaps on crucial issues, including data security for the IT sector.
On the EU side, there are concerns surrounding industries like auto components, wines and spirits, while on the Indian side, there are issues related to visas for professionals, especially those from the IT sector.

Source: financialexpress.com - May 03, 2016