TEXTILE INTELLIGENCE CENTRE
iBtex.
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

The Cotton Textiles Export Promotion Council [TEXPROCIL]
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400 004. Maharashtra State. INDIA
W. www.texprocil.org E. enews@texprocil.org T. +91-22-2363 2910 to 12 F. +91-22-2363 2914

IBTEX No. 6 of 2017 Jan 07, 2017

USD 68.16 | EUR 71.80 | GBP 83.81 | JPY 0.58

Cotton Market Update (6-1-2017)

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

Rs./Bale	Rs./Candy	USD Cent/lb
19290	40350	**75.73**

Domestic Futures Price (Ex. Gin), December

Rs./Bale	Rs./Candy	USD Cent/lb
20310	42484	**79.73**

International Futures Price

NY ICE USD Cents/lb (March 2017)	73.78
ZCE Cotton: Yuan/MT (January 2017)	15,050
ZCE Cotton: USD Cents/lb	**85.43**
Cotlook A Index – Physical	**82.95**

Cotton & currency guide: Cotton price made a high of 20240 and settled at 20030 higher by Rs 210/bale compared to Wednesday. Price gained as arrivals continued to decline in the domestic market. Cotton arrival in major markets across India was tad lower by 1,500 bales on Thursday. A total of 122,500 bales arrived in various mandis as against 123,000 bales arrived on Wednesday

Domestic price also took positive cues from the global cotton price. ICE cotton futures hit a near-five month intra-day high on Thursday before settling marginally lower, pulled down by a bout of profit taking. The March contract surpassed the key 75 cent level and hit an intra-day high for the first time since August 9. Meanwhile, it has risen about 4.5 percent so far this week and is on track to register its biggest weekly gain in seven weeks. However, the contract pulled back and settled marginally lower by 0.3 cent, or 0.40 percent, at 73.78 cents/lb.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS	
No	**Topics**
1	Trump Rhetoric Raises Specter of 1930s-Style Trade War With Asia
2	Mauritius: STM Scheme for Textile and Apparel Exporters to Europe to Be Launched This Month
3	Pakistan: Drab government textile policies keep exports in tatters
4	Vietnam: Thừa Thiên-Huế Province targets 12% rise in exports
5	Ethiopia, US facilities to increase garment sales of Everest Textile
6	Monsanto rolling out next generation genetically modified cotton product
7	Bangladesh: Lure of a hotspot of apparel sourcing
	NATIONAL NEWS
1	Budget Special: Maharashtra MSMEs want cheaper loans, more credit for the sector
2	Sri Lanka to go ahead with ETCA agreement with India
3	India slaps anti-dumping duty on Nepali jute items
4	Cotton yarn prices stable to up in India, China
5	Polyester yarn prices surge in India, China
6	Cotton trades flat on limited demand
7	Cotton rates firm with CCI stepping in to make purchase

INTERNATIONAL NEWS

Trump Rhetoric Raises Specter of 1930s-Style Trade War With Asia

U.S. President-elect Donald Trump's promise to shrink a trade deficit with China through punishing tariffs wouldn't just hurt the world's second-biggest economy -- it would also damage the rest of Asia too.

That's the increasing view of economists who say the risk of significant Trump-triggered trade tensions could slow growth in the world's best performing region, which accounts for 67 percent of America's goods trade deficit, according to a Morgan Stanley.

"Donald Trump's campaign proposal to impose hefty tariffs on China has raised the specter of 1930s-style trade wars," said Priyanka Kishore, lead Asia economist at Oxford Economics in Singapore. "While we attach a low probability to a full-blown escalation, economies across Asia will have to brace themselves for rising protectionism amid subdued global growth and rising Western populism."

Kishore added that another risk is that Trump goes beyond targeting expected areas such as iron and steel, and imposes new trade restrictions on textiles, electronics, cars, computers and more. Under such a scenario, she said the pain would spread well beyond China because of the potential downstream impact.

China is prepared to step up its scrutiny of U.S. companies in the event Trump takes punitive measures against Chinese goods, according to people familiar with the matter. The options include subjecting well-known U.S. companies or ones that have large Chinese operations to tax or antitrust probes, the people said, asking not to be identified because the matter isn't public.

Complex Picture

A smartphone exported to the U.S. may only be assembled in China with parts sourced from other countries in Asia. However, headline trade statistics don't necessarily capture that supply chain. Instead, they label the phone as a Chinese export, distorting its trade balance with the U.S.

Analysis of foreign value-added content of China's exports shows how complex the picture is.

"China accounts for only 16 percent of electronic and computer imports into the US, while the rest of Asia-ex Japan accounts for a similar share and Japan 8 percent," Kishore said. "But standard trade statistics show that China's share in total U.S. imports of electronic products is more than 40 percent."

Twitter Pronouncements

Since winning the U.S. Presidential election, Trump has backed up fiery campaign rhetoric toward China with a series of pronouncements on Twitter and the appointment of China hawks, including Peter Navarro, to key roles. Navarro has blamed China's 2001 entry into the World Trade Organization for eroding America's manufacturing base.

"The recent shift in political rhetoric in the U.S. has increased the risk of potential policy changes related to trade," Morgan Stanley economists led by Hong Kong-based Chetan Ahya wrote in a report. "As these potential policy changes are aimed at improving the U.S. position in global trade, Asia will be a main focus."

China, Korea and Japan would be the worst affected given they sell more to the U.S. than they buy back and because of their roles in a deeply intertwined regional supply chain, according to Morgan Stanley. Vulnerable industries include telecommunications, computers and cars.
Chinese state media has warned the country can fight back, saying that Trump will be met with "big sticks" if he tries to ignite a trade war or further strain ties.

"There are flowers around the gate of China's Ministry of Commerce, but there are also big sticks hidden inside the door -- they both await Americans," the Communist Party's Global Times newspaper wrote in an editorial Thursday.

Trade Retaliation

China can also retaliate against U.S. investment in China by targeting sectors like electronics and textiles. As the world's second biggest financier of U.S. government debt, it could also respond by selling down its holdings of Treasuries. Then there's the nuclear option: devalue the yuan.

"This could the first step towards, the first step on a long ladder, the end of which is a 1930s-style environment where we've got collapsing global trade, we've got default on debt, we've got international relations gradually falling apart, eroding, and we're back into that environment," Erik Britton, a director at Fathom Consulting in London, said on Bloomberg Television.

While a sudden move to sell Treasuries or weaken the yuan look unlikely, for now, China would still likely hit back, said Chi Lo, greater China senior economist at BNP Paribas Investment Partners in Hong Kong.

"Trade retaliation is very likely," he said, noting that U.S. investment in China is higher than Chinese investment in America. "This means that the U.S. would be hurt more by China's retaliation than it could hurt China. This also implies that the US does not have much leverage over China in a trade war."

It remains to be seen by just how much the President-elect will deliver on fiery campaign rhetoric but, for now at least, the risk of a full blow trade war remains remote. The U.S. Chamber of Commerce in China on Friday called for an easing of trade tensions.

Yet the risk remains.

"The possibility that a Trump administration will impose substantial, across-the-board, trade tariffs on trading partners cannot be completely ruled out," said Oxford's Kishore.

Source: bloomberg.com– Jan 07, 2017

HOME

****

Mauritius: STM Scheme for Textile and Apparel Exporters to Europe to Be Launched This Month

The Air Freight Rebate Scheme for textile and apparel known as the 'Speed-to-Market' Scheme (STMS) as announced in the Budget Speech 2016/17 by the Minister of Finance and Economic Development will be launched this month after consultations with the various stakeholders.

STMS aims at developing the 'Speed-to-Market' textile and apparel export segment in the wake of Brexit. It will also allow Mauritian textile and apparel exporters to become more competitive vis-à-vis other countries exporting via air freight to Europe.

Another objective is to enhance the competitiveness of Mauritian exports in the European market, especially in terms of speed of delivery while at the same provide support to the textile and apparel enterprises facing difficulties in the wake of Brexit.

The STMS which will be applicable to the textile and apparel manufacturing companies only, will among others; provide a 40 % refund on air freight cost to exporters to Europe including UK; be time-bound for 2 years; and will be operated and managed by Enterprise Mauritius.
The refund will be applicable for exports as from 1st April 2017.

Source: allafrica.com– Jan 06, 2017

HOME

****

Pakistan: Drab government textile policies keep exports in tatters

Blame game continues in the textile sector, as millers pin dismal performance on the absence of state facilitation, Trade Development Authority of Pakistan (TDAP) chairman calls out the government for not prioritising exports, and the apparel sector accuses millers of limiting product base.

Textile exports have been going down for the last two years, though an increase of 9.25 percent was recorded in November 2016 from the lower base of the corresponding month in 2015. All textile associations have been highlighting their plight through media and advertisements.

The basic textile sector comes up with different sets of demands and the wishes of the apparel sector are quite the opposite. Millers want zero duty on cotton imports but duties on all types of yarns and fabric. The apparel sector desires no duty on yarn and fabrics that are not produced in Pakistan.

On the government’s side, the chairman of TDAP SM Muneer feels isolated and powerless. During a recent briefing at All Pakistan Textile Mills Association (Aptma) he lamented that the export development fund meant for use by TDAP was under the control of the Ministry of Finance.

He felt disappointed that he was left out of a high level meeting held Thursday in Islamabad to discuss matters relating to exports.

The meeting chaired by the Prime Minister was attended by Finance Minister Ishaq Dar, FBR chairman and other high officials. Pakistan's overall exports have declined by around 25 percent since SM Muneer assumed charge.

The TDAP chairman pointed out that the decline in exports was due to global recession. He said last year Pakistan's exports declined by 14 percent while there was a dip of 18 percent in Indian and 12 percent in Chinese exports.

This assertion opposes Aptma’s claim that only exports from Pakistan are falling while that of India are increasing. However, the Aptma leaders did not dispute the export statistics that TDAP chairman gave at Aptma House Lahore.

The chairman of the trade authority said that due to neglect at the highest level, exports have not benefited from the improved macroeconomic indicators of the country.

One point on which all the stakeholders agree was the high cost energy and power. They contend that they are not prepared to bear the losses suffered by the power distribution companies on theft.

They want industries to be excluded from surcharges levied to cover inefficiencies and theft. If this plea is accepted, then the entire burden would fall on domestic consumers, a majority of whom are honest. Nobody is pressing the state to shun corruption in the power sector to ensure relief across the board.

The stakeholders complain of high cost of doing business. This again is an administrative issue as there are no flaw in rules and regulations but the devil lies in execution.

In case of refunds, some stakeholders started bribing the officials for early release of refund dues. After a while, speed money for refunds became a norm and the rates also started increasing.

The turmoil in the textile sector is more due to conflict of interest among different subsectors of textiles and within the textile entrepreneurs operating in Punjab and other provinces. When the federal government announced reduction of Rs200 per mmcfd on industries using natural gas last month, the Punjab based industrialists opposed the move, as they were not the beneficiaries.

They were producing power from RLNG that is imported regasified gas and its rate is subject to fluctuations of crude oil rates in the global market. The decision to benefit the industries in other provinces was withdrawn and the facility was passed on to the independent power producers operating on gas.

This does not in any way mean that we should shift all the blame on the textile stakeholders. The government policies were also flawed.

For instance, the use of manmade fibres was restricted in Pakistan by maintaining high import duties on all manmade fibres. This was done to protect domestic polyester fibre industry.

Even manmade fibres that were not produced locally were subjected to non-refundable import duty even on exports. This resulted in restricting the domestic textile industry to cotton only.

Globally 75 percent of textile fabrics are made from manmade fibres.

This is the reason that product range of our textiles is restricted to 10-11 items, whereas Bangladesh's textile product range is over 200 items. We cannot enlarge our product range on the current policies.

Source: thenews.com.pk– Jan 07, 2017

HOME

****

Vietnam: Thừa Thiên-Huế Province targets 12% rise in exports

The central province of Thừa Thiên-Huế aims to earn US$800 million from exports in 2017, a year-on-year increase of 11.58 per cent.

The locality will diversify export commodities and seek new markets to attain the target, according to Nguyễn Thanh, Director of the provincial Department of Industry and Trade.

The province, which is part of the central key economic region, will also press ahead with solutions to remove obstacles to business growth and boost exports of processed and hi-tech products, while gradually reducing the proportion of unprocessed goods in the export structure.

It will also facilitate local exporters' access to credit sources and encourage them to manufacture products that are Thừa Thiên-Huế's strength.

In the textile and apparel field, which is a big foreign currency earner, the province is going to call on businesses to gradually switch to free-on-board manufacturing instead of cut-make-trim, thereby improving export value and workers' income, Thanh noted.

Thừa Thiên-Huế raked in $717 million from exports in 2016, up 7.74 per cent from the previous year, which consisted of overseas shipments worth $292 million by domestic companies and $424 million made by foreign invested firms, respectively, rising by 4.91 per cent and 9.78 per cent from a year earlier.

Up to 65 per cent of the total shipment was contributed by garment exports, which hit a record of over $465 million last year, up 8.98 per cent from 2015. Meanwhile, fibre and textile exports brought home $117 million, climbing 18.89 per cent and making up 16.32 per cent of the province's total shipments.

Aquatic exports approximated $47 million last year, a year-on-year increase of 26.62 per cent, data revealed.

Source: vietnamnews.vn– Jan 07, 2017

HOME

****

Ethiopia, US facilities to increase garment sales of Everest Textile

Everest Textile Co, vertically integrated textile manufacturers have been seeking overseas sites for its new factories, as the fabric manufacturing process is quite labor intensive has scheduled to start operations at its two new plants in Ethiopia and the US in the first half of this year.

The plant in Ethiopia is to manufacture garments for the company's brand name customers from Europe, while the US facility is to supply knitted fabrics and garments to customers in the US, the firm said.

The two new factories are expected to increase the sales contribution from garments, which currently generate less than 2 percent of the company's total sales.

Revenue from woven and knitted fabrics accounts for more than 80 percent of the company's total sales, while textured yarns generate nearly 10 percent, according to company data.

The official, who declined to be named, said that the company plans to build another plant in Haiti because of lower labor costs. Currently, Everest operates three plants in Taiwan, China and Thailand.

Everest's local peers, including Lealea Enterprise Co and Eclat Textile Co, also plan to accelerate overseas capacity expansion plans this year. Lealea, which mainly produces textured polyester yarn, has approved a plan to invest as much as US$50 million in its first overseas factory in Indonesia.

The new plant is scheduled to begin operations in the first half of this year, with a target capacity of 4 million yards of polyester yarn per year, Lealea spokesman Chen Han-ching said.

The plant is to distribute about half of its products to customers in Indonesia, a nation of 255 million people. Lealea is also considering building another plant in Vietnam because of lower tariffs on exports to the EU, Chen added.

While, Eclat plans to expand production capacity in Vietnam after dissolving its wholly owned clothing plants in China last month.

Two new plants in Vietnam are scheduled to begin operations in the first and third quarters of this year respectively and expected to manufacture about 950,000 articles of clothing per month, boosting Eclat's capacity by 20 percent annually.

Everest has also planned to purchase 88 new circular knitting machines, with 35 of them to be used for developing and producing body-mapping fabrics for functional clothing.

Everest, whose customers include North Face Inc, Columbia Sportswear Co, Decathlon Group, is highly regarded in the industry for its adherence to sustainable production methods.

Source: yarnsandfibers.com – Jan 06, 2017

HOME

****

Monsanto rolling out next generation genetically modified cotton product

Monsanto has begun marketing its third-generation genetically modified cotton product, claiming it will add extra protection against more species.

The company has added a new gene, or protein, to create and launch Bollgard 3, which comes two decades after the introduction of the first genetically modified cotton.

"There is much more significant control of army worms," Monsanto North America Cotton and Canola Launch Lead Jon Riley told *Crop Protection*

News. “It is all about providing the best possible benefits in high insect pressure situations, and less use of insecticide sprays.”

It also adds that extra protection against a variety of pest species, Riley said.

Bollgard 3, which is already used widely in Australia, has been planted in the U.S., on a limited new product evaluation basis, for approximately a month. A full launch of the product across the U.S. will occur in 2018, and it will be rolled out in to Mexico in the near future, Riley said.

Monsanto, the St. Louis-headquartered biotechnology giant, announced the commercialization of the product at last month’s Deltapine New Product Evaluator (NPE) Summit.

The adding of the extra protein, Vip3A, provides a third action in addition to the Cry1Ac and Cry2AbBt proteins found in Bollgard II, which was introduced in 2006.

First introduced in the U.S. in 1996, Bollgard was an in-seed cotton that protected against the cotton bollworm, tobacco budworm and pink bollworm.

The second-generation trait, introduced in 2006, provided protection against other cotton pests and tacked on the Roundup Ready Flex.

Apart from the extra protection, this third generation is marketed as extending the durability of Roundup Ready, the company said.

It is the first commercial cotton product with full federal approvals for the trait and in-crop herbicide system to combine three modes of action for both lepidopteran insect control and herbicide tolerance, the company added in a press release following the NPE summit.

The company also unveiled its Deltapine Class of 17 cotton varieties to more than 135 growers attending the summit who are participants in the NPE program. The NPE program provides cotton growers the opportunity to evaluate pre-commercial Deltapine variety candidates.

"This product has been highly anticipated by growers, and we are excited to bring Bollgard 3 XtendFlex technology to the marketplace," Monsanto Cotton Team Lead Jessie Christiansen said.

"This launch is the latest example of Monsanto's continuing commitment to bringing new and innovative cotton products through our pipeline, offering new benefits and solutions to growers that feature elite germplasm and enhanced protection against key pests, including armyworms and bollworms, that will enable them to produce the best crop possible."

Riley said Monsanto is already working on the fourth generation Bollgard product.

Source: cropprotectionnews.com- Jan 06, 2017

HOME

****

Bangladesh: Lure of a hotspot of apparel sourcing

The Readymade Garment (RMG) industry of Bangladesh has not only been a miracle to its countrymen, it has also been taking the world by storm for the past four decades.

Bangladesh has been called one of the fastest growing GDPs by eminent economists of the world, increasing 2700 per cent in just four decades. The most developed economies of the world have been struggling between 10-30 per cent.

According to a recent estimate, the RMG sector comprises of 82 per cent of Bangladesh's exports. This sector has been vivid and also managed to duck the recession of 2009 successfully. Today, Bangladesh stands to be the 2nd largest exporter of apparel all over the world, next only to China.

From the view point of labour cost, China is paying high price compared to that of Bangladesh. The monthly salary of a Bangladeshi worker would be Rmb 500 to Rmb 600 ($80 to $95), while one Chinese worker now is being paid at least Rmb 2,000 per month .China is now using Bangladesh to outsource its RMG products. China has already placed some orders for manufacturing apparel items in Bangladesh.

If the Chinese companies engaged themselves here, it will be a great opportunity for the RMG sector of Bangladesh . Surveys found that European and US companies are planning to expand the share of their sourcing from Bangladesh from 25 to 32 per cent by 2020, from an average of 20 per cent. From the above perspectives we can say that Bangladesh has a great opportunity to become the hotspot of apparel sourcing.

Bangladesh apparel sector has some shortcomings. To become the hotspot and sustainable, this sector needs to be developed in different areas.

1. **Infrastructure**: The recent factory fire incidents were catastrophic occurrences that damaged the reputation that Bangladesh had earned in the global RMG sector. The factory safety concern is the reason why foreign buyers, especially Western brands, are cancelling their orders from Bangladesh. So, RMG sector needs to improve on infrastructure.

2. **Productivity:**

Comparing the wages versus productivity of competing nations, analysts say that without improving productivity and technological upgradation Bangladesh will not be able to reach the target of earning USD 50billion by 2021

"RMG industry of Bangladesh needs to shorten the lead time, otherwise, international buyers may divert their attention towards other suppliers for import of garment products in the current quota-free business environment. Technology and automation will be the key." Says Manasij Ganguli, Founder CEO, ThreadSol, a leading technology provider for garment manufacturers.

3. **Unskilled Labour**: Bangladesh has a population of more than 156 million and a labour force of 79 million (World Bank, 2014). Only 5 per cent of the labour force has received any form of training, with just 1per cent having undertaken technical/vocational training. For employers, the most pressing of these challenges is a shortage of skilled workers (particularly at operator, quality checker and supervisory level). Lack of training capacity and co-ordination challenges limit the effective development of sufficient number of skilled workers to meet the growing demand.

4. **Product and Market Diversification**: Bangladesh needs to develop the products in the competitive world and make a competitive manufacturing location and should diversify its export basket.

Strengthening the capacity for upscale products is very important for the Bangladesh RMG industry if it is to enhance its competitiveness. As with China and other prominent garment suppliers, Bangladesh needs to address both qualitative and quantitative expansion of its RMG industry simultaneously in order to sustain the business in the long run. The country needs to be capable of adjusting its manufacturing capacity to frequent changes in customer choices and preferences.

Bangladesh needs to expand its capacity for manufacturing high quality, high-priced garment products. Manufacturing basic shirts or t-shirts will not enable the country to remain internationally competitive in the long run.

Thus, product diversification and upgrading processes need to be accelerated. Bangladesh also needs to diversify its markets to include Japan, Australia and other important international markets.

These observations suggest that Bangladesh concentrates on a low-value product mix in its export basket, and even within that low-value product mix, its competitiveness is reliant on low wages that compensate for its low productivity. This situation is precarious not only because there are other low wage countries trying to enter the global RMG market, but also because the low wages of Bangladeshi workers cannot be taken as a permanent phenomenon, given the mobilisation of garment workers over the last few years demanding higher wages and better workplace conditions.

I like to conclude quoting Manasij Ganguli, Founder CEO, ThreadSol who said, "RMG sector needs to improve overall operational efficiency and technological upgradation, reducing lead time, market diversification, appropriate strategy formulation and new policy implementation. The government and the private sector need to work hand in hand for Bangladesh to attain the top spot in garment export."

Source: thefinancialexpress-bd.com- Jan 06, 2017

HOME

****

NATIONAL NEWS

Budget Special: Maharashtra MSMEs want cheaper loans, more credit for the sector

With less than a month left for the Union Budget to be unveiled, the MSMEs from across the country from different sectors have submitted their representations to the Finance Ministry for consideration in the budget.

The government will be presenting its Union Budget 2017-18 on February 1 this year.

KNN spoke to various associations in Maharashtra to know what their expectations and demands are.

President of Textile Association of India, Arvind Sinha, said that cost of credit should be reduced.

He said, the government should make efforts to make industry self-sustainable so that it does not have to look up to government every time for everything. For this the rate of interest should be reduced.

“In context of textile industries, there is not much that government can do at this stage. It’s a very large affair only the certain incentives like cheap loans, credit availability at easy rate can help people to conduct the business well,” said Sinha.

Ashok Minawala, Spokesperson of All India Gems and Jewelry Trade Federation (AIGJTF) told KNN that expensive raw material has been a major issue for the MSMEs

High rate of interest is another major problem faced by the sector, he added.

“MSME can only survive when they will get raw material at competitive prices and they get loans at lower costs,” said Ashok Minawala.

While considering the budget to be very crucial in the present scenario post demonetization, Dalit Indian Chamber of Commerce & Industry (DICCI) had sent proposal to the finance ministry which included various issues which DICCI is expecting that government should look into seriously.

“We already sent proposal to the finance ministry. The effective rate of interest comes to nearly 14% to 15% which is very high, therefore it needs to be relooked at,” said Milind Kamble, Chairman, DICCI.

According to Kamble there should be additional fund allocation and tax benefits provided to SC/ ST Entrepreneurs.

“There should be allotment of additional funds of rupees 200 crores for the Venture Capital promoted by IFCI for SC Entrepreneurs. Tax Benefits should be provided to companies that source products and services from SC/ST Entrepreneurs,” said Kamble.

Speculating these views from associations it can be predicted that budget 2017 which is coming earlier this time certainly have surprises, especially for the industries as aftermath of demonetization left the industries in hard time.

Source: knnindia.co.in – Jan 06, 2017

HOME

****

Sri Lanka to go ahead with ETCA agreement with India

Prime Minister Ranil Wickremesinghe today said that Sri Lanka will go ahead with the proposed Economic and Technical Cooperation Agreement (ETCA) with India.

The Prime Minister said that Sri Lanka will first finalise the GSP plus deal with the European Union and then the ETCA agreement with India.

He also said that the government will negotiate a Free Trade Agreement (FTA) with China and other countries.

The Prime Minister said many international investors were now looking at Sri Lanka as a ideal investment hub.

Wickremesinghe said that 2017 was a crucial year for investments to come in and this would pave the way for Sri Lanka to strengthen itself in the Indian Ocean region.

"We want to develop Sri Lanka, especially as an export oriented economy aiming at job creation and income increments," Wickremesinghe said.

He further said that with the Indian Ocean region becoming the fastest growing region in the word, Sri Lanka had to use its strategic location to become a communication center for shipping, airlines. business and expand its markets through FTAs.

The Prime Minister also denied reports of any political uncertainty in the country and remained firm that the present National Government would continue to implement all the development projects in order to make Sri Lanka an international hub.

Source: colombogazette.com– Jan 05, 2017

HOME

****

India slaps anti-dumping duty on Nepali jute items

India has imposed anti-dumping duty ranging from $6.30 to $351.72 per tonne on the import of jute and jute products from Nepal.

According to Indian media reports, the duty has been imposed for five years, effective from Friday, to protect Indian industry. The import-restrictive levy has been imposed on jute yarn/twine, Hessian fabric and jute sacking bags in "all forms and specifications".

According to the reports, based on complaints of local players, the Directorate General of Anti-Dumping and Allied Duties of India had initiated a probe into imports of the products in 2015.

In its final order, issued in October last year, it had come to the conclusion that there is dumping of goods and the imports were "undercutting and suppressing the prices of the domestic industry".

"Performance of domestic industry has deteriorated in the terms of profitability return on investments and cash flow (and) injury to domestic industry has been caused by dumped imports," the probe report said.

Nepali jute producers import 70 percent of raw materials from India and export finished products to the southern neighbour. Nearly 95 percent of Nepali jute is exported to India.

Raj Kumar Golchha, president of Jute Industry Association, said India's move has put the already struggling Nepali jute industry on the verge of collapse. He said the Indian department has slapped 3-4 percent duty on jute rope, 4-5 percent on jute sacks and 0-2 percent on hessian jute fabric.

Traders said extended loadshedding hours, labour issues and lack of incentives have forced most of the local jute factories to close down. Among 12 jute factories in the country, only four—Arihant, Raghupati, Baba and Swastik—are in operation. These mills employ 12,000 workers.

Moreover, the industry has been dropped from the government's priority list even though the demand for more ecological packaging globally has strengthened its export potential.

Three decades ago, the country used to be a major exporter of jute to Europe, and the golden fibre was one of the major sources of foreign exchange.

Jute was grown on 56,000 hectares, but now the cultivation has shrunk to 11,000 hectares.

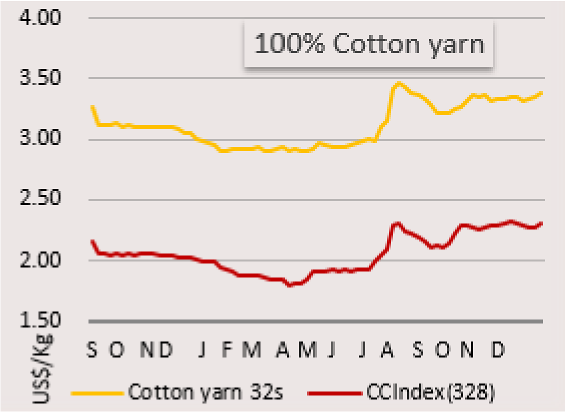
The government has also removed subsidies on fertilisers, seeds and pond construction. The country used to produce 150,000 tonnes of jute three decades ago, which has now plunged to 17,000 tonnes.

Source: kathmandupost.ekantipur.com- Jan 07, 2017

HOME

****

Cotton yarn prices stable to up in India, China



In Shengze, 21s cotton yarn prices were unchanged in the second week of December while 32s prices were up on the week.

In China, cotton yarn prices saw minor increases given rising cost pressure from new cotton although sales were tempered.

Spot trades remained thin, so cotton yarn prices are expected to hold stable or move up slightly in the short term.

In India, cotton yarn prices remained stable in the week, reflecting a similar stability of cotton prices.

Daily arrivals of cotton remained affected by the demonetization process with a lack of cash limiting sales by farmers. 30s carded cotton yarn prices were stable in Ludhiana while combed for knitting inched up INR1 a kg (up US cent 1).

In Pakistan, sales of cotton yarns were limited by a recent increase of price offers, as weavers were unable to pass this rise in their material costs on to their customers.

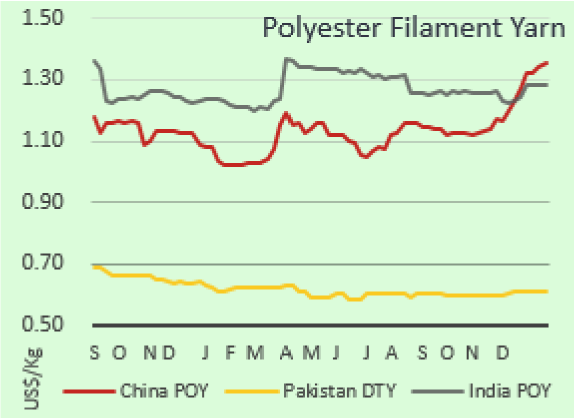
Export markets too were and prices remained unchanged across the board.

Source: yarnsandfibers.com– Jan 06, 2017

HOME

****

Polyester yarn prices surge in India, China



In China, POY offers in Shengze were up US cents 5-6 a kg in the second week of December.

In Shengze, 150/96 FDYs offers were up US cents 6 a kg, while 50/24 FDY were up US cents 18 a kg on the week.

Polyester filament yarn markets rallied significantly in China and India taking cue also saw prices rise in domestic market.

With both crude oil and PTA futures rallying and MEG surging PFY makers maintained offers stable to firm though spot trades slowed down from later in the week.

In Pakistan, PFY sentiment rolled over but the market lost steam citing thinner trading volumes. Selling indications for DTY were heard rolling over on the week.

In India, POY offers climbed that week, although trading atmosphere was lusterless, as downstream buying enthusiasm was quiet. 130/34 POY prices were up INR3 a kg (up US cents 2-3) during the week.

Source: yarnsandfibers.com - Jan 06, 2017

HOME

****

Cotton trades flat on limited demand

Cotton price remained unchanged as demand was limited from domestic mills and exporters at the higher level.

Though, kapas or raw cotton gained marginal on strong demand from oil seed crushers and tight supply.

Trader said, due to short arrival price of cotton constantly increased during this week which limited the demand on Friday.

About 1.40 lakh bales arrived in Indian and 33,000 bales arrived in Gujarat. Sankar-6 cotton traded on ₹39,900-41,100 per candy of 356 kg.

Kapas increased by ₹5 to ₹1,060-1,100 per 20 kg and gin delivery kapas stood at ₹1,100-1,135 per 20 kg. Cotton seed gained by ₹10 to ₹510-515 per 20 kg.

Source: thehindubusinessline.com- Jan 06, 2017

HOME

****

Cotton rates firm with CCI stepping in to make purchase

With the Cotton Corporation of India (CCI) resorting to purchase cotton at commercial rates from different parts of key cotton growing regions in the country, cotton prices have moved up and also improving the market sentiment. Prices have firmed up to R41,500 per candy from the prevailing rates of R38,000 and farmers are now beginning to get better rates from traders, according to top officials of CCI.

International rates are currently at R42,000 per candy. CCI after a gap of four years this is the firm time that they has stepped in to make commercial purchases to protect the interests of farmers and industry, M M Chokhalingam, CMD (in-charge) said.

CCI has purchased 10,000 bales so far and for the last couple of days have been going slowly on purchases because rates have improved. .

Chokalingam said that the Corporation will step in aggressively if the market rates slip down and it shall remain for the entire season. The Corporation expects to purchase around 15 lakh bales for the season of 2016-17.

In the start of the season, cotton prices were ruling between R5,000 and R5,200 per quintal in various markets while Minimum Support Price (MSP) was at R4,160 per quintal. However, prices dropped down later because of which the CCI intervention helped.

Chokhalingam pointed out that CCI now uses the e-purchase and e-sale modes for sale and purchase of cotton and therefore had called for bids through e-auction.

Apart from MSP operations, CCI also has to perform commercial operations at times in the interests of the farmers and to keep the market stable. If CCI does not have stocks then traders can control markets and bring out cotton during lean season.

The intent of the CCI is to ensure that this does not happen and keep prices uniform. Instead, CCI will purchase some 15-20 lakh bales of kapas and make it available to the industry in times of need.

CCI has been purchasing kapas or raw cotton from markets wherever the prices are lower, The commercial purchase of up to 15 lakh bales would be mainly from the west, central and southern parts of the country as prices in the northern markets are ruling much higher.

CCI also caters to the needs of its customers, such as the National Textiles Corporation and several co-operative mills. It also meets the demand of private sector mills, mainly during the lean season, by releasing the fibre from its stocks.

Meanwhile, the Maharashtra State Cooperative Cotton Growers Federation has urged both the state and the Centre seeking permission to purchase cotton from farmers at commercial rates.

N P Hirani, chairman of the federation said that they are usually the sub-agents for CCI and have been purchasing cotton at MSP rates but this time the prices are higher and therefore they would like to purchase at market rates,

The Corporation has authorized the federation to make purchases. It is only private groups that have been told to register as buyers or sellers. The Centre had declared an MSP of R4,160 per quintal for the current season for the long staple fibre and R3,860 for the medium staple length.

Source: yarnsandfibers.com- Jan 06, 2017

HOME

****