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USD 63.99 | EUR 70.01 | GBP 82.15 | JPY 0.58

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
20031	41900	**83.53**

Domestic Futures Price (Ex. Gin), May

Rs./Bale	Rs./Candy	USD Cent/lb
21070	44073	**87.87**

International Futures Price

NY ICE USD Cents/lb (May 2017)	80.71
ZCE Cotton: Yuan/MT (July 2017)	16, 000
ZCE Cotton: USD Cents/lb	**85.69**
Cotlook A Index – Physical	**88.3**

Cotton guide:

Cotton is hovering just beneath 80 cents and probably waiting for fresh cues to drive the price either direction. However, with the recent activity and position rollover in July the underlying has become very strong keeping the contract upbeat. We believe market may continue to remain in the same range however; breaking above 80 cents shall give a fresh view to the market.

The December contract traded in sync with the July contract until the end of the day when the new crop contract traded on either side of unchanged. By the end of the day, buyers prevailed and the December '17 contract settled at 75.00 cents per pound.

From the trading perspective, ICE estimated volume held at 21,300 contracts, lower than previous day's 27,255. Total open interest increased by 2,265 contracts to 245,139. July future contract open interest increased 291 points to 132,283 contracts. While December interest increased by 1,961 contracts to settle at 98,648. Certificated stocks were last reported at 298,791 bales.

Now the critical part is the fresh mill orders are fading for US cotton and perhaps the entire world is looking for fresh cues from the ICE cotton price performance. As said above unless the market moves either side the market may continue to remain sideways trend.

Coming to domestic market the spot price on Tuesday ended the session at Rs. 43,750 per candy mostly steady from the previous close ex-gin. With Indian rupee appreciating the equivalent price quoted at 86.80 cents per pound. This morning Indian rupee has further appreciated below 64 and currently while drafting this report is seen trading at 63.96 rupees per one USD. We believe with the rupee appreciating the equivalent price of domestic cotton in the global market may further trade down.

More on the spot front the cumulative arrivals stood at 69,000 bales lower from the previous day and also lower in last fifteen days. Amongst the total arrivals 19K was from Gujarat and 28K from Maharashtra. The steady price of spot cotton in India and ICE futures rebounding from 78 cents to 79.50 has led support for Indian cotton futures to rebound. The April future ended the session at Rs. 20,830 down by Rs. 50 from the previous close while had made an intraday low of Rs. 20,680 levels.

Today morning ICE cotton is seen trading at 79.48 cents up by 0.15% and believe Indian future might see initial uptick in the price which has strong resistance at Rs. 21K levels. For the day cotton April to trade in the range of Rs. 21K to 20,700 per bale and expect a sideways trend on today's trading session.

Compiled By Kotak Commodities Research Desk , contact us :
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Source: Reuters, MCX, Market source

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INTERNATIONAL NEWS

Bangladesh textile firms will travel across the US cotton belt

Cotton Council International (CCI), the National Cotton Council's export promotions arm, is conducting this special trade mission under which twelve executives from Bangladeshi textile companies will travel across the U.S. Cotton Belt to get a closer look at COTTON USA and learn more about U.S. cotton, the world's preferred fiber.

During the special trade mission set from April 30 to May 6 , the group of Bangladeshi textile executive will participate in multiple meetings with U.S. cotton exporters to help facilitate the export of U.S. cotton.

The Bangladeshi delegation will begin its tour in New York with a CCI briefing and an ICE Futures seminar. During their tour, they will also see cotton research in North Carolina, tour the USDA cotton classing office in Bartlett, TN, and visit a cotton farm and gin in West Texas.

The group also will meet with exporters in the Cotton Belt's four major regions and with these key industry organizations – AMCOT, American Cotton Producers, American Cotton Shippers Association, Cotton Incorporated, Lubbock Cotton Exchange, National Cotton Council, Plains Cotton Growers, Southern Cotton Growers Association, Texas Cotton Association, Western Cotton Shippers Association and Supima.

The individual companies participating in this trade mission are expected to consume about 705,000 bales in 2016-17 – about 11% percent of Bangladesh's total cotton consumption.

Bangladesh stands as U.S. cotton's ninth largest market, with U.S. export commitments at more than 500,000 bales to date in the 2016-17 marketing year ending July 31.

CCI President Eduardo L. (Eddy) Esteve, a Dallas, TX merchant, said that Bangladesh imports more cotton than any other country, and only three other countries' textile mills use more cotton.

They want to reinforce the fact to these trade mission participants that U.S. cotton is of superior quality and is the world's preferred fiber.

They also want to remind these important U.S. cotton customers that they are committed to delivering their fiber to them in a very timely manner.

Source: yarnsandfibers.com- Apr 25, 2017

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Pakistan see growth in cotton yarn and cloth production

Pakistan's domestic production of cotton yarn and cotton cloth witnessed growth by 0.67 percent and 0.43 percent respectively during first eight months of current financial year as compared the production of the corresponding period of last year.

According the computation of Quantum Index Numbers of large scale manufacturing industries released by the Pakistan Bureau of Statistics, cotton yarn production during the month of February, 2017 was recorded at 287,100 tones as against the production of 281,185 tons of same month of last year.

Meanwhile, cotton cloth production in the country during the period under review was registered at 696,750 thousand square meter as compared the production of 693,733 square meters of same period of last year.

On month on month basis, cotton cloth production was recorded at 87,300 square meters in month of February, 2017, as compared the production of 86,100 square meters of same month of last year.

Source: yarnsandfibers.com- Apr 25, 2017

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US urges Nepali traders to utilise preferential benefits

The Embassy of the US in Nepal recently organised an event to encourage Nepali traders to make the most of the Nepal Trade Preference Programme initiated by the government of the US.

The country has provided preferential trade benefits to Nepal on 66 different export products including scarves, shawls, carpets, bags, headgear, leather goods and more.

The programme is a part of US' Trade Facilitation and Trade Enforcement Act, 2015 that was introduced in December last year and provides duty-free tariff benefits on select products to Nepali traders until 2025. It was initiated to contribute to Nepal's economic growth after the earthquake in April 2015.

Mark Linscott, assistant US trade representative said at the event that Nepal's private sector should export products that enjoy duty-free access to the US. He also urged traders to meet technical requirements decided by the US government for various products.

The implementation of the trade preference programme will make Nepali products more cost-effective in the US market, said Nepali media reports quoting Alaina B Teplitz, US Ambassador to Nepal.

Nepal is losing its trade surplus in the US, according to Bhawani Rana, president, Federation of Nepalese Chambers of Commerce and Industry. He added that both Nepal and US governments should assist Nepali traders to benefit from duty-free trade access and increase exports.

Commerce minister of Nepal Romi Gauchan Thakali has urged the government of US to include some other goods like readymade garments to the list of products that enjoy duty-free access to the US.

Source: fibre2fashion.com - Apr 25, 2017

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Industry 4.0 a threat to Vietnam's textiles sector

The fourth industrial revolution (Industry 4.0) will present a challenge for Vietnam's textiles and garment sector within the next five years, according to Mr. Le Tien Truong, CEO of the Vietnam National Textile and Garment Group (Vinatex).

Automated production systems in the sector are yet to meet the requirements of Industry 4.0, he said, in particular the application of big data, the Internet of Things (IoT), and artificial intelligence (AI).

"Industry 4.0 will create very rapid changes and unpredictable factors in the economy," he went on.

"If there are no careful preparations, production systems in the sector will not be sufficiently competitive to adapt to the changes. This will be a major challenge within the next five years."

In the 2017-2020 period, he believes, Vinatex must pay more attention to research and apply the technological achievements of Industry 4.0, improving workplace productivity.

"The most important thing is ensuring the group is not excluded from global chains," he said. "It will be difficult to achieve this goal as it requires the group focus on the development of resources."

2017 will be a year with many challenges for Vietnam's textiles and garments. The only positive signs in the first quarter were the recovery of main markets such as the US, the EU and Japan and growth of 12 per cent year-on-year.

If there are few fluctuations in the economic and political situation, Vietnam's textiles and garment sector may see growth of more than 10 per cent this year. Favorable circumstances are the key factor for enterprises under Vinatex to have an effective year, Mr. Truong said.

Vietnam's textile and garment exports failed to reach the targeted $29 billion in export turnover in 2016.

Export turnover was estimated at $28.5 billion, up 5.4 per cent year-on-year but short of the $29 billion target, which was previously $30-$31 billion. “Growth is at its lowest since 2010,” Mr. Truong told VET.

“But growth in absolute value was higher than in previous years.”

Vinatex’s business performance was disappointing in 2016. Industrial production value increased just 3 per cent, to VND37.7 trillion ($1.65 billion), while export turnover of VND2.47 trillion ($108.6 million) was up 4 per cent.

Total revenue reached VND40.5 billion ($1.78 million), up 3 per cent, and pre-tax profit stood at VND1.43 trillion ($62.9 million), up 9 per cent. Main markets such as the US, Japan, and South Korea saw single-digit growth.

Vinatex aims to maintain growth of 13 to 15 per cent this year, with exports totaling $4 billion.

Source: vietnamnet.vn - Apr 25, 2017

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Indonesia revitalising textile sector

With exports of textile and textile products rising in Indonesia, the Government there is trying to revitalise the sector by introducing new machines and equipment and issuing economic policy packages. There are also plans for a special regulation on fiscal incentives in the form of fiscal allowance for export oriented labour intensive industry.

Industrialists would have income tax discounts for business expansion under the incentives planned, an Indonesian news agency report said.

Indonesia's exports of textile and textile products (TPT) were valued at $2 billion in the first two months of 2017, three per cent higher than those in the same period last year, the report said.

"TPT industry is a labour industry providing jobs for around three million people that it could serve as a social safety net," industry minister Airlangga Hartarto said in a statement.

In 2016 investment in TPT industry was worth Rp 7.54 trillion with exports valued at $11.87 billion employing 17.03 per cent of workers in the manufacturing sector.

The minister said he was optimistic that the country's TPT industry could compete globally especially as the industry had been integrated from upstream to downstream sectors. However, the industry needed revitalisation as the majority of factories used old machines especially weaving and knitting factories. The machines needed replacement.

"Revitalisation, we have begun by using new machines and equipment which has shown positive results, but the programme has to be continued," he said.

In addition, economic policy packages already issued by the government should be utilised by TPT industrialists by increasing investment, otherwise, in five years, the country's TPT industry would find it more difficult to face competition from countries like India, China, Vietnam and Bangladesh, he said.

The industry ministry was preparing a special regulation on fiscal incentives in the form of fiscal allowance for export oriented labour intensive industry under which industrialists would have income tax discount for business expansion.

The ministry was also seeking comprehensive cooperation agreement with Europe and the United States for benefits such as better tax facility, he said and added small industries would also be facilitated to boost exports.

Director General of chemical, textile and multifarious industries Achmad Sigit Dwiwahjono said imports of cloth were also a challenge hampering investment in TPT industry.

The industry ministry was teaming up with the trade ministry to curb textile imports to protect the country's TPT industry.

Source: fibre2fashion.com - Apr 25, 2017

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Pakistan: Cotton trading remains slow

The cotton market continued to give listless conditions on Monday as buyers stayed away from the proceedings. Contrary to this, the world's leading markets were firm and bullish.

The overall depressed performance by the textile industry in front of falling exports has been hampering the cotton trade for the last couple of months.

The textile industry has been asking the government to clear the outstanding amount against rebate, customs duty and sales tax refunds as it was causing liquidity crunch and hurting textile exports.

The limited stocks of around 250,000 bales of unsold cotton held by ginners and delay in arrival of next cotton crop did not deter the spinners who are also faced huge inventories of cotton yarn, brokers said.

The Karachi Cotton Association's spot rates remained steady at weekend level. On the ready counter, a couple of deals were reported to have been finalised: 400 bales from Bahawalpur at Rs7,000 per maund (around 37 kilograms) and 600 bales from Sadiqabad at Rs7,000.

Source: dawn.com- Apr 25, 2017

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Vietnam: Garment exports grow despite hurdles

The domestic garment industry has faced many challenges in exporting to key markets, such as the European Union (EU) and the United States, but it still has a chance of achieving its export target this year, according to experts.

First quarter figures appear to support this expectation. Vietnam earned $6.84 billion from garment and textile exports in the first quarter of this year, 11.2 per cent more than in the same period last year, according to the Việt Nam Textile and Apparel Association (VITAS).

Việt Nam's textile and apparel sector has set a target of seven per cent growth over 2016, with total export earnings of over $30 billion.

Currently, Vietnamese garment and textile products are available in 40 countries and territories, with major markets including the United States, Japan, the Republic of Korea, China and the EU. VITAS has urged enterprises to optimise the capacity of their equipment to reduce production costs and seek orders for high-quality products.

EU limitations

But Đặng Phương Dung of the VITAS advisory board said the growth rate of export value and volume to the EU was low, with local manufacturers receiving only small orders. Việt Nam's garment industry has also not developed in terms of design, so most textile and garment enterprises have found it difficult to compete for export orders from this market.

High import tax rate of 8-12 per cent to the EU market is also one of the obstacles facing garment exporters to this market.

The EU is the second largest export market of Vietnamese garment products, but it has only captured a 1.9 per cent share of the union's total import value, according to the association, presenting opportunities for growth.

However, Dung said, meeting the rules of origin under the Việt Nam-EU Free Trade Agreement in terms of preferential tax rate would be the biggest challenge for Vietnamese garment exports.

The garment industry expects ASEAN countries, including Việt Nam, to sign an FTA between the ASEAN region and the EU, and then local garment enterprises would have more options to get material for garment production from other ASEAN countries, meeting rules of origin under the FTA.

According to data of the General Department of Customs, in 2016 the textile and garment sector reached total export value of $23.8 billion, an increase of 4.6 per cent year-on-year.

In particular, the United States continued to be the largest export market of Vietnamese garment products, accounting for 48 per cent of the total garment export value. Export value of textiles and garments into the United States has increased by 12-13 per cent each year in recent years.

Many enterprises invested in building textile and dying factories on an extensive and intensive scale to boost opportunities in production and business for the planned Trans Pacific Partnership (TPP), according to the association.

But now that the TPP with the United States is no longer in the cards, experts say these facilities would help the textile and garment industry complete production processes and actively source material, focusing on the significant opportunities offered by other FTAs, such as the Việt Nam-EU FTA and the Việt Nam-Republic of Korea FTA.

Source: vietnamnews.vn - Apr 26, 2017

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How Is Amazon's Apparel Business Faring?

Amazon (AMZN) is set to release its 1Q17 earnings results on the back of recent studies by Slice Intelligence and Cowen & Company that paint a rosy outlook for its apparel prospects.

The reports will likely guide investors to focus on Amazon's management's comments about its apparel operations in its 1Q17 earnings report on April 27, 2017.

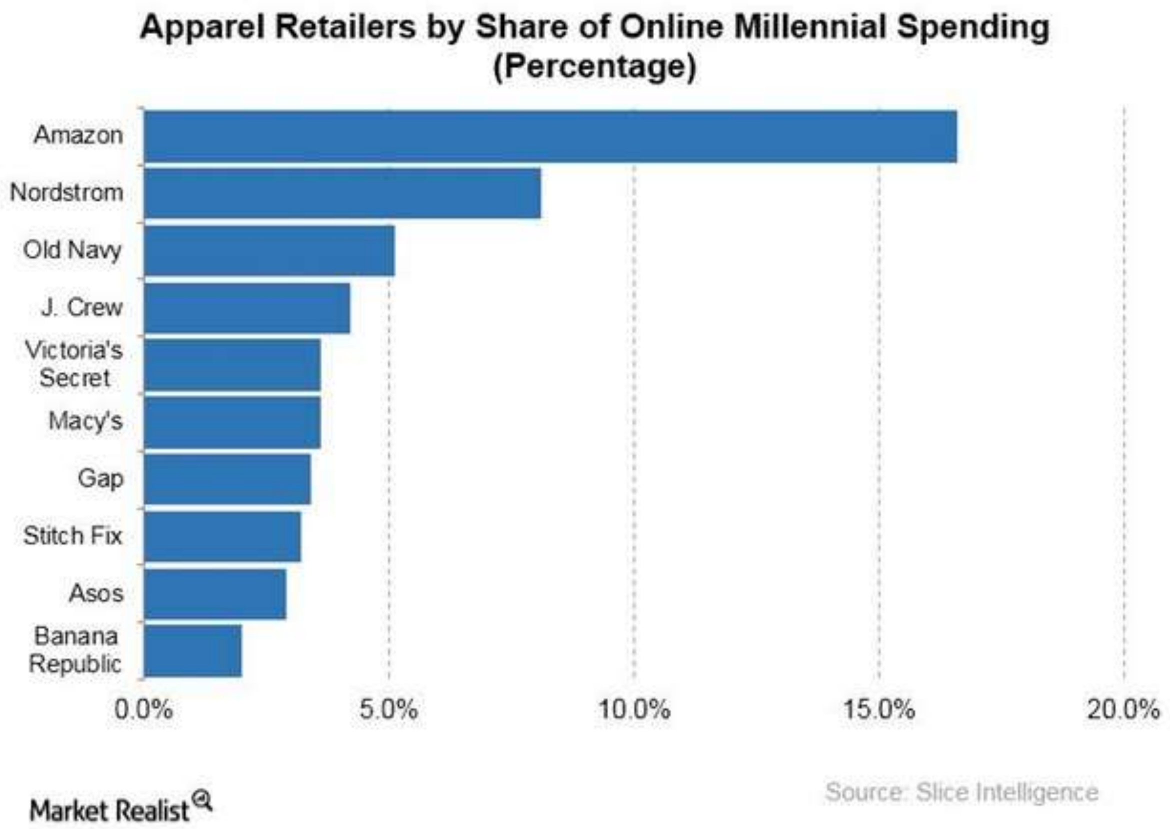
Amazon has been increasing the private fashion brands available on its e-commerce site as part of its efforts to strengthen its apparel business. According to Pacific Crest analysts, the number of Amazon's private-label apparel brands aimed exclusively at its Prime shoppers in the United States (SPY) and the United Kingdom (EWU) has risen to 14.

Amazon's share is double that of its closest competitor

Slice data show that Amazon has taken the lion's share of Millennials' online spending on apparel.

The study found that Amazon accounts for 16.6% of online apparel sales to shoppers aged 18–34.

In comparison, 8.1% of sales go to its rival Nordstrom (JWN). Macy's (M) and The Gap (GPS) come in significantly lower at just 3.6% and 3.4% of online clothing sales to Millennials, respectively.



30% growth in 2017

Cowen also sees Amazon steadily overcoming the major barrier that has long kept the clothing retail business a domain of traditional retailers: shoppers' wanting to try on garments before they buy. As such, Cowen sees Amazon's apparel revenue rising 30% this year, compared to $22.0 billion in 2016, and they see its revenue rising further to $62 billion by 2021.

Given that the bulk of overall apparel sales still take place offline, investors will likely be keen to know how Amazon is hoping to grow its share of the apparel industry.

Source: marketrealist.com - Apr 25, 2017

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Ghana : Government to revamp Tumu cotton ginnery

The Minister of President's Special Development Initiatives Mavis Hawa Koomson has expressed shock at the abandoned state of the Tumu Cotton Ginnery in the Upper West Region.

The facility has not been in use for several years because there are no raw materials for it to process because farmers from the area see cotton farming as non lucrative and have veered into the cultivation of food crops.

Madam Mavis Hawa Koomson who led a team of government officials to visit the facility on Monday, said she had been saddened by the fact that the previous government failed to take steps in revamping the ginnery that is critical to cotton production in the country.

"What we saw here is beyond our imagination as we taught the problem was with the machines but that is not the issue", she observed.

The minister promised that the Tumu cotton ginnery would be operationalized to revive cotton production to feed the industry soon after the law to rename and restructure the Savanna Accelerated Development Authority (SADA) is done.

She indicated that the land is available and farmers are ready to work and indicating her ministry's readiness to bring together private sector operators and other stakeholders to identify the problems and resolve them.

"We are not happy, the team is not happy for what we have seen here……. We cry that there is poverty in the Northern region and if we always cry that we are poor and we have this property lying down here and doing nothing, how do we bridge the gap" she questioned.

Madam Mavis Hawa Koomson said she understands the cotton ginnery can employ 1000 or more people with the exception of farmers and expressed hope that the cotton ginnery if revamped has the capacity of employing over 5,000 persons.

She therefore further assured of the ministry's commitment to work with the ministry for Trade and industry to make sure the cotton ginnery sees the light of day.

Source: ghanaweb.com - Apr 25, 2017

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Zambian govt to focus on ending cotton lint export

President Lungu speaking in Sinazongwe yesterday during the North- West Kooperatives (NWK) national cotton field day at Nzenga Farm.said that the establishment of textile mills is critical to the creation of more employment opportunities for youth and acceleration of national economic development and hence directed ministers of Commerce, Trade and Industry, Finance and Agriculture to work closely to explore ways of setting up textile mills to create jobs and earn the country foreign exchange.

The three ministries should ensure the retrogressive trend of exporting cotton in its raw form is halted once textile mills are established so that the country should manufacture a variety of cotton products.

Mr Lungu said that his desire is to see the agriculture sector making a significant contribution to the country's gross domestic product (GDP) in line with the Patriotic Front government's economic diversification programme.

Cotton is one of the country's main foreign exchange earners, hence production of this crop must be supported. Nearly all of the cotton lint produced in the country is exported. This must not be allowed.

He implored cotton ginners to give farmers a fair price for their crop and commended NWK Agric-Services for offering farmers a higher price at K3.70 per kilogramme this season compared to last season's K3.20.

He said that government is encouraging growing of other crops such as cotton, rice and sorghum to promote agricultural diversification. Sinazongwe and the entire valley area is ideal for growing cotton and other crops such as sorghum, millet, groundnuts, fruits and vegetables.

President Lungu said that the region should continue to produce cotton to feed the Gwembe Ginnery to create more employment opportunities especially for the youth. He also added that Zambia needs a consortium of investors to invest in the agriculture sector to boost crop production at both household and national levels.

The agriculture sector has immense potential to spur wealth creation and economic growth with participation of the private sector. Government, through the Ministry of Agriculture, has prioritised agricultural diversification, Farmer Input Support Programme, irrigation development support programmes, agriculture machination and research and development. There is also need to maximise the usage of water for irrigation purposes.

Minister of Agriculture Dora Siliya said that Government is committed to addressing all the challenges facing farmers and ensuring that the country produces enough agro-products for export in view of the booming demand for such products.

Source: yarnsandfibers.com - Apr 25, 2017

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USA: How to Renegotiate NAFTA

US President Donald Trump's administration says that it is sticking with its campaign promise to renegotiate the North American Free Trade Agreement. Indeed, Trump has now reiterated his intention to invoke the procedures for renegotiating NAFTA soon (within "the next two weeks"), triggering a 90-day consultation period with the US Congress, before talks with Mexico and Canada commence. Assuming that happens – a very big if – it is worth asking how renegotiation could be done right.

Of course, Trump could simply decide to abandon his promise to renegotiate NAFTA, which may be unpopular with many Americans, but is considered by economists to have been beneficial. After all, he has dropped many other campaign pledges, including (fortunately) his oft-repeated vow to label China a currency manipulator "on day one" of his administration.

Another possibility would be for Trump to attempt to bully Mexico – the main target of his renegotiation plans – by, say, raising tariffs, in violation of NAFTA and World Trade Organization rules. In that case, it would be up to Mexico to respond. And Mexico does have some options. For example, it could raise tariffs to its old high "bound rates," buying more corn from Brazil and Argentina and less from US farmers.

Moreover, trade is not the only area where Mexico could retaliate. It could permit Central American migrants to pass through Mexican territory to the US border, rather than impeding them, as it currently does. It could curtail cooperation with US law-enforcement authorities in areas like drug crime. Most worrying, the Mexican people could respond to US provocation by electing their own nationalist president, Andrés Manuel López Obrador, in 2018.

But let us take at face value, if only for the sake of argument, that the Trump administration wants to renegotiate NAFTA in good faith. In that case, Mexico's leaders say, "Okay, let's get on with it." In fact, the 23-year-old agreement could be improved in various ways.

For starters, NAFTA could be expanded to cover issues that did not exist when it was originally negotiated, such as e-commerce and data localization. Protections for labor could be improved as well, by guaranteeing workers' right to form independent unions, banning child labor, and strengthening enforcement against human traffickers.

Likewise, negotiators could boost environmental protections, such as measures to safeguard the oceans and provisions for enforcing bans on illegal logging and trade in endangered species. These additional protections could be backed up by a dispute-settlement process and threats of trade penalties that are as credible as those underpinning the resolution of ordinary mercantile disputes.

There is also room for increased protection against corporate abuse of the investor-state dispute-settlement procedure. For example, negotiators could add provisions for the summary dismissal of frivolous suits, such as challenges by multinational corporations to a new regulation on the grounds that it will diminish their ability to earn profits.

Finally, NAFTA could be expanded to include more countries. The addition of some in South America, such as Peru and Chile, and others in Asia and the Pacific, would constitute a broader multilateral approach that could bring significant benefits. Though the Trump administration has expressed a preference for bilateral trade deals, it is easier to conclude mutually beneficial deals when more countries are involved.

For example, US dairy producers want Canada to reduce import barriers for their products, but Canada wants Japan to remove barriers to its pork, beef, and wood products more than it wants anything from the US. So the best way for the US to get what it wants from Canada could be to bring Japan into the mix. Including Japan and other Asian and Latin American countries is more likely to satisfy the main requirement of an effective trade agreement: that each member clearly sees the export opportunities to be gained.

Bringing more countries into NAFTA could be beneficial in another way, by making it easier for firms to deal with the rules of origin that govern various US trade agreements. Rules of origin are meant to prevent products that are assembled in a signatory country but that derive much of their value-added elsewhere from receiving duty-free treatment.

The rules are currently so onerous that some US importers reportedly choose simply to dispense with the benefits of NAFTA – and the accompanying paperwork – and instead to pay the low normal tariff imposed on non-NAFTA products.

Yet White House adviser Peter Navarro wants to make the rules of origin even more demanding, by raising the share of local content required for a product to qualify for zero tariffs. He believes that this would raise the local value-added in North American trade.

But a likely result is that more importing firms would dispense with NAFTA's benefits and simply default to the normal US tariff rate, which averages just 3.5%.

Is renegotiating NAFTA to cover new issues, strengthen labor and environmental protections, improve dispute-settlement mechanisms, and include more countries all pie in the sky?

Would it be impossibly difficult to negotiate a new agreement that had every one of these desirable properties?

Well, trade negotiators already hammered out precisely such an agreement.

It was called the Trans-Pacific Partnership, which Trump has nixed.

In truth, the best way to improve NAFTA would be to return to what was agreed to in the TPP.

Source: project-syndicate.org- Apr 26, 2017

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NATIONAL NEWS

Indian trade leaders to discuss GST, digital payments

Trade leaders from various Indian states will meet in New Delhi to discuss the new goods and services tax (GST) and the issue of digital payments with a view to formulate a 60-day strategy for a national campaign to educate and empower the trading community on adopting the new tax. The Government is likely to implement the GST from July 1, 2017.

In addition, the Union Government is also taking pro-active steps for promoting faster adoption of digital payments in the country.

the two day national conference of prominent trade leaders of states is being organised during April 27-28, 2017 by the Confederation of All India Traders (CAIT). More than 150 trade leaders are expected to participate in the conference, a release from CAIT said.

"Our effort is to train them as master trainers on both GST and digital payments and in turn they will train trading community at district level in their respective states," said CAIT national president BC Bhartia and secretary general Praveen Khandelwal.

While GST is a technology based taxation system, much different from current taxation regime, about 70 per cent small businesses in the country still have to adopt computerisation in their existing business format, they said. Therefore, it is a challenge to equip them with technology before rolling out of GST.

For educating on GST, the CAIT has chosen Tally Solutions Limited as its technology partner whereas for spreading awareness on digital payments, it has tied up with MasterCard and HDFC Bank. So far, CAIT has already organised 113 conferences on GST and digital payments in the past 100 days.

The event will discuss various topics such as overview of proposed GST structure and its implications on trade and commerce, role of technology in GST taxation system, need to have dedicated computerised business solution for GST compliance, treatment of inter-state movement of goods and services, rules pertaining to place of supply, raising of invoices, availing of input tax credit, and role of trade leaders and trade associations in ensuring penetration of GST education among traders across the country.

The conference will also deliberate on linkages between digital payments and GST, why digital payment is essential for future business in India, ways and means for faster adoption of digital payments, percolation of digital payments down the line among non-corporate sector, and advantages and road blocks of digital payments adoption.

Source: fibre2fashion.com- Apr 25, 2017

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Italian Trade Mission explores investment opportunities riding on efforts to implement GST

Riding on the recent efforts to bring in GST that is being viewed as a major economic reform to attract foreign capital Italy -- Europe's second biggest manufacturing hub -- is sending their biggest trade and investor delegation to India this week eyeing greater participation in the machinery, automative, ICT, infrastructure and textile sectors.

Led by Italy's Deputy Trade Minister the delegation of 60 companies from Italy will explore business and investment opportunities in India, according to Italy's Trade Commissioner to India Francesco Pensabene.

Italy is currently 13th largest investor in India with presence of 400 firms and has market share of one per cent among the foreign investors here. Total Italian FDI between 2000-2016 is around two billion Euros.

"The Italian companies are interested in exactly the same sectors that has been identified by the current government as prirority areas -- smart cities, clean and greem tech, ICT besides machinery for various industries from leather to marbles to food processing," informed Pensabene. In 2016 Indo-Italian trade stood at 7.6 bn Euros.

The Italian offiicial noted that implementation of GST will lead to harmonisation of taxes and this will enhance foreign capital into India incluiding from Italy.

What is interesting is the fact that this Trade mission will be followed within weeks by Joint Economic Commission in Rome where the Indian side will be led by the Commerce Minister, Italian Ambassador to India Lorenzo Angeloni told ET. "2017 will be a big year for Italian investors in India. This year India is regarded as the most important destination for Italian companies.

The visit by this delegation is most timely as India has a stable growing economy, stable poltiical environment and major reforms like GST are underway. Road shows about India in Italy are also being planned," the envoy noted.

The two countries want to explore future areas of cooperation in defence, hydrocarbon and even real-estate. Italy is among India's top 5 trading partners in the EU.

Main items of Indian exports to Italy are ready-made garments, leather, iron ore, motor vehicles, textiles, chemicals, gems & jewellery. Main items of import from Italy are general and special purpose machinery, machine tools, metallurgical products, and engineering items. Some of the major Italian companies that have invested in India are FIAT Auto, Heinz Italia, FIOlA, Italcementi, Necchi Compressori, Perfetti, Lavazza,Fata Hunter Engineering, ENI, SAI India, Isagro (Asia) Agrochemicals, Piaggio, and Impreglio,SEA Deutzfahr Group, Finmeccanica SpA, Ferrero, Salini etc.

Indian companies present in Italy are in sectors such as IT, electronics, pharmaceuticals, automobile, textile and engineering. The prominent Indian companies operating in Italy include Tata, TCS, Wipro, Engineers India Limited, L&T, Mahindra & Mahindra, Ranbaxy, Raymonds etc. SBI has a representative office in Milan.

Six Italian banks have representation in India. Top sectors attracting FDI inflows from Italy are Automobile Industry/Transportation, Food Processing, Metallurgical Industry, Textiles, Electrical Equipment and Others.

The Joint Economic Commission is an institutional mechanism chaired by the respective Commerce Ministers of both countries. Under the JEC, there are Joint Working Groups in the following areas: Infrastructure, Tourism, Railways, Food Processing, Renewable Energy, Information Technology and Agriculture.

The 18th session of the JEC was held in New Delhi in December 2009.

In June, 2014, Air India, National Carrier of India started connecting Rome and Milan of Italy with New Delhi giving opportunity to both tourists and business people from India and Italy to visit each other country for both tourism and business purposes.

Source: economictimes.com- Apr 25, 2017

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DGFT to hold live chat session on twitter on Apr 28 over FTP mid-term review

The Directorate General of Foreign Trade (DGFT) will hold a live chat session on micro-blogging site twitter on April 28, 2017 over mid-term review of India's Foreign Trade Policy (FTP).

The live session will be held by Ajay Kumar Bhalla, Directorate General of Foreign Trade, on Friday between 3–4 PM.

In a tweet, DGFT said, "Tune in for Twitter chat session on mid-term review of Foreign Trade Policy on 28th April at 3PM. Tweet to us with #FTPReview"

The queries can be sent to DGFT with #mociseva and #FTPReview.

The exporters and importers are already posting their queries and suggestions related to the FTP on DGFT's twitter page.

The Government is doing a mid-term review of FTP. For this, DGFT had sought suggestions from stakeholders.

DGFT AK Bhalla, recently said that the Commerce Ministry may have to make certain changes in the export related schemes due to the implementation of the Goods and Services Tax (GST).

He also said that the ministry is currently undertaking the stakeholders' consultation for the mid-term review of FTP.

The GST will subsume excise, service tax and other local levies.

Source: knnindia.co.in - Apr 25, 2017

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Textile Association of India's workshop on 'Creating ecosystem for innovation' today

Indian Textile Accessories & Machinery Manufacturers' Association (ITAMMA) jointly with The Textile Association of India (TAI),Vidarbha has organised workshop on 'Creating the ecosystem for innovation & technology development' on April 26, 2017 at Banyan Hall, Chitnavis Centre, Behind Hislop College, 56, Temple Road, Civil Lines from 3 pm onwards.

The workshop will be followed by B2B catalogue display show at 5 pm and. "The event will give the platform for more interaction between the mill persons and the suppliers at doorsteps of the user industry and in shortest time, thus helping them in enriching their knowledge and enhancing their business," said Dr Hemant Sonare, Secretary of TAI, Vidarbha while addressing a press conference.

About 37 exhibitors from textile engineering industry and more than 450 visitors from the textile Industries in and around Nagpur, Yavatmal, Amravati, Buldhana, will be attending the events.

"The auto industry is the prime example where the indigenous development of the auto-components industry has helped India to become a major, globally competitive manufacturer of automobiles as well as auto-components, thereby also reducing import content and increasing exports and employment.

Similar success can be achieved in the textile engineering sector if the right ecosystem is put in place with co-operation of all stakeholders," he said.

"This being a critical mission of national importance, it is imperative that captains of industry and academia along with senior government leadership actively participate in the workshop and contribute their ideas," Dr Sonare said.

The main theme of the workshop is to discuss how the Textile Industry can help to create an ecosystem for innovation and R&D in textile engineering industry.

It would be a plenary session, where industrialists, machinery manufacturer and industry expert will give details on the trend of innovations and technology developments taken place in the textile industry, said Kishore Khaitan, President, ITAMMA. While the members of the round tables would give their views on the viability of innovations and developments as well as the actual required at the grassroots level.

The participants will be Suryalaxmi Cotton Mills, Indo Rama, Rieter India Pvt Ltd, Indoworld Textiles, Bhagirath Textiles Ltd, R.S.R. Mohota, GIMA Textile Industries, Pee Vee Textile etc. The events, will be inaugurated by the chief guest Ujjwal Uke, Principal Secretary of Textiles, Government of Maharashtra, while Abhijit Wanjarri, Secretary, Amar Sewa Mandal, Nagpur and Meena, Director of Textiles, Textile Commissioner Office, will be the guest of honour. Present were R K Mishra, Joint Secretary of TAI, Vidarbha, Ajay Ghorpade, Treasurer, Rajiv Dubey, President of TAI, Vidarbha and N D Mhatre.

Source: thehitavada.com - Apr 26, 2017

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Can India benefit from a dead TPP?

Two events that have significantly altered the discourse on world trade, especially in the Asia-Pacific region, are the Brexit and the US President Donald Trump denouncing the 12-member Trans-Pacific Partnership (TPP) early this year.

The TPP would have covered 40% of the global GDP and nearly a third of the world trade. According to studies carried out in the US, the enforcement of the TPP could have yielded annual income gains of $295 billion, including $78 billion in the US alone.

It could also unleash potential gains of as much as $1.9 trillion in the Asia-Pacific region through free trade.

It was highlighted that Vietnam was expected to gain 14% under the TPP as it would become the hub of low-end manufactured goods like textiles and garments.

But the scenario has changed in the last few months. Global trade is going through turmoil, with growth declining and an increase in protectionism as countries are resorting to more and more non-tariff barriers, regulatory measures, higher standards, etc.

In the above scenario, the calling off of the TPP by the US has come as a major disappointment to other member countries who had invested years on end in negotiating a high-quality agreement to benefit the Asia-pacific region which is hungry for trade.

On the contrary, for a country like India which was not part of the TPP, the imminent demise of the TPP means the pressure on India to sign bilateral and regional FTAs to counteract other mega-regional trade pacts has eased.

India is now focused on the alternative Regional Comprehensive Economic Partnership (RCEP) and hopes that its members will be more accommodative towards India’s demands in the RCEP, especially with regard to increased market access in services including Mode 4 (access to India’s skilled professionals in the RCEP region).

The RCEP is a 16-member grouping with several countries from the TPP also being a part of it. The pact, first mooted in 2011, covers a population of 3.5 billion people and a combined GDP of $22.6 trillion.

However, it is being opined that the TPP is a much higher-quality agreement vis-a-vis the RCEP because of its adherence to rules on a wide range of issues—environment, labour rights, state ownership of firms and intellectual property.

The RCEP mainly focuses on tariff reductions in goods and leaves out many complex areas from its purview.

Moreover, it is also possible that multilateral trade negotiations led by the WTO may get a fillip with the demise of the TPP; this would go in India’s favour as the country has always been a strong campaigner of multilateral trade.

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The US accounts for nearly 60% of the TPP's GDP. With its withdrawal, the group cannot come into force. But the question is, will the other countries move forward with the TPP without the US? Since the US has made it clear that its administration would focus on negotiating "fair, bilateral trade deals that bring jobs and industry back to American shores," what are the options with other countries?

Many members in the group are hoping that once the Trump administration settles down in a few months' time, the TPP could be revived. Meanwhile, countries like Australia, Japan and Chile have been discussing the idea of taking the TPP forward. It also remains to be seen how the bilateral trade of TPP member countries with the US will get affected without the TPP.

Talks were held during March 14-15 in the Chilean city of Viña del Mar over whether the TPP can be renegotiated and proceed without the US. South Korea and China were invited to participate and an official from the US was present—though China sent only its 'special representative', not a high-ranking trade official. But the talks remained inconclusive.

The members agreed to meet again in May on the sidelines of the APEC forum in Vietnam and expressed concern about the growing protectionism in world trade. They were disappointed that years of negotiations on the TPP did not fructify.

Australia, which has been proactive in pushing for a TPP without the US, conceded that it would focus on bilateral agreements with the Pacific Alliance states of Mexico, Chile, Columbia and Peru, and also pursue agreements with India, Indonesia and the EU. However, China promoted the RCEP in the Chile meet.

With the TPP effectively dead as of now, the future of mega FTAs looks bleak. Even the Transatlantic Trade and Investment Partnership (TTIP) negotiations have been stalled with the mess over the Brexit.

The only mega FTA India can push for is the RCEP—India would need to argue that the 'gold standard' TPP framework has lost its appeal and popular support, and so a modest agenda based on including the diverse circumstances of negotiating countries should be the only one pursued at the RCEP.

At the same time, there is still the danger that the TPP could be revived in another form, and so India must continue to reform its domestic economy and make it more competitive to survive the constantly changing global trade paradigm.

To remain relevant in the global trading system, India needs to focus on comprehensive trade pacts that not only offer a level-playing field for domestic business, but also provide a mix of bilateralism and multilateralism.

If negotiated properly, each trade pact could be a progressive step towards integrating India with global markets. But the evidence on this remains open given that India's comprehensive economic partnership agreements with Japan and South Korea didn't bring sufficient gains for India.

Going forward, the global trade environment could transform with the focus of countries being on bilateral trade deals and what suits them the best. The US is negotiating bilateral deals with Japan, China and the EU, apart from renegotiating the NAFTA.

However, a majority of WTO members are hoping that the collapse of mega FTAs could lead to the resurgence of the WTO with most countries preparing for the 11th WTO Ministerial in Buenos Aires, Argentina, at the end of the year. The situation at the moment is fluid but it is hoped that a clear picture of global trade will soon emerge.

Source: financialexpress.com - Apr 26, 2017

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