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USD 66.20 | EUR 70.55 | GBP 80.79 | JPY 0.58

Cotton Market

Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
20413	42700	**82.25**
Domestic Futures Price (Ex. Gin), March		
Rs./Bale	**Rs./Candy**	**USD Cent/lb**
21300	44555	**85.82**

International Futures Price

NY ICE USD Cents/lb (March 2017)	76.87
ZCE Cotton: Yuan/MT (May 2017)	16,005
ZCE Cotton: USD Cents/lb	**85.92**
Cotlook A Index – Physical	**86.45**

Cotton & currency guide:

The gone by week was interesting for cotton market globally. For price reference the ICE May contract hit a high of 79.46 cents per pound at the beginning of the week while since then price corrected on a gradual note to end the week on a much lower scale. This morning ICE cotton has breached down below 77 cents and currently trading at 76.89 cents. This is a clear signal that price topping out at the recent high suggests long positions built at the derivative market is excessively high and the entire world is now talking about the latest CFTC report stating highest long positions on cotton in the global market.

This has been predominantly observed; anytime market is being talked about the tops or bottoms of the price especially at financial press the underlying tends to move reverse. We believe this may have been the exact factor for recent price correction in cotton. In fact we could correlate with such better exports data released last week in the US and the WASDE report being essentially positive for cotton had no impact on the price. In fact we saw further profit booking on higher levels. This is to be clearly sensed that cotton price to correct in the near term. However, we expect the upcoming CFTC number would convey a better understanding on the market.

Further on the technical side we now observe a bearish divergence with market holding strong resistance at 79.50 cents and possibly likely formation of a double top pattern. The cotton is expected to see larger price correction in the near term. We expect ICE cotton to trade in the range of 76. 40 to 77.30 cents per pound.
Coming onto the domestic cotton price the S-6 variety of cotton continued to remain steady near Rs. 43,000 per candy higher reversed lower from the recent high of Rs. 44,000. We believe market may remain sideways to lower. However, we will have the wait and watch for the entire March arrivals of cotton in the country. The equivalent price at parity is around 84 cents per pound for Indian cotton. Overall we expect cotton price to remain sideways while the ICE cotton performance is likely to decide a fresh trend in the market. The trading range for the day would be Rs. 42,500 to Rs. 42800 per candy. Likewise, at the domestic front for the futures contract the March is expected to trade in the range of Rs. 20980 to Rs. 21300 per bale.

Further on the news, China had sold 151,346.77 tons or nearly 700,000 bales of cotton from the 2011, 2012 and 2013 crops at firm prices for the age and quality of the cotton. The size of the demand illustrates a pick up cotton demand and improved demand for the lower quality lots. If this rate of demand continues then nearly 2.8 million bales of cotton will be used monthly which would exceed current estimates of the expected drawdown in Reserve stocks expected.

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

Indicative Prices of Overseas Ring Spun Cotton Yarn in Chinese market:

Indicative Prices of Cotton Yarn in China Date: 13/03/2016 ***Prices in US$ FOB***		
Country	**20s Carded**	**30s Carded**
India	2.45	2.75
Indonesia	2.56	2.85
Pakistan	2.44	2.82
Turkey	2.90	3.10
Source: CCF Group		

The cotton yarn market has remained relatively sluggish in reflection of high raw replacement costs. In Pakistan, local demand has improved somewhat but export orders have remained limited. During February, garment export earnings for Bangladesh were lower than in the previous month, but higher than in February 2016. Russian yarn and fabric imports have continued to rise. In 2016, the main yarn suppliers were Uzbekistan and Turkmenistan.

Source: CCF Group

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INTERNATIONAL NEWS

TPP Talks Continue Without the US

The U.S. may be out of the Trans Pacific Partnership, but that doesn't mean it's dead.

Galvanized by a need to band together against other trade pacts and a desire to preserve the time, effort and intentions that went into the trade agreement, the 12 TPP countries plus China and South Korea are convening in Chile this week, according to Reuters.

The group will meet to discuss a path forward after U.S. President Donald Trump pulled the U.S. out of the deal as one of his first executive orders. TPP would have eased free trade among the U.S. and 11 Pacific Rim nations, which account for approximately 40 percent of global trade.

Trump's action followed his "America First" campaign kill any deals he deemed unfair, including TPP and possibly the North American Free Trade Agreement. While the posturing over NAFTA continues, the President has expressed interest in simpler, bilateral agreements that he calls free and fair.

Though the U.S. will be represented at the meeting, the attendee will be the ambassador to Chile rather than the U.S. Trade Representative, who is awaiting confirmation, or another trade official.

It's not known whether TPP can be salvaged without U.S. involvement. But the countries represented could discuss shoring up other deals with the best parts of TPP in mind.

"The TPP without the United States is very difficult to do, but we can rescue some of the very important things," Peruvian president Pedro Pablo Kuczynski, told the Wall Street Journal.

Rather than forge ahead with separate deals, some members of the group may simply be hoping that if they're able to keep momentum going on the deal, it will survive long enough to wait out the current political climate in the U.S.

Though China's envoy to Latin America will be in attendance, the country's spokesperson says the media has miss characterized its intentions.

"The meeting is not as some media have said a TPP meeting," said Hua Chunying during a press briefing, adding that it's a brainstorming event related to the Asia Pacific region in general. "When it comes to TPP, China's position has not changed."

Some U.S. government officials may have hopes of their own for this meeting, according to Akira Amari, former Japanese cabinet member. They think that a "TPP minus one" deal could be enough to incite businesses to lobby the U.S. government into reconsidering participation in the pact, The Japan Times reported.

Source: sourcingjournalonline.com– Mar 13, 2017

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Cheaper to make clothes in Taiwan than China now: Designer

Taiwanese designers used to outsource the majority of their clothing production to China, but gone are the days of cheap manufacturing across the strait, fashion designer Charin Yeh told a UDN reporter.

"Made in China" clothing used to be associated with cheap, substandard quality clothing, but this is no longer the case, said the Taiwanese designer Yeh at her brand's recent Spring/Summer 2017 fashion show.

"Costs to outsource production to China are now far more expensive than in Taiwan," said Yeh, who is also the owner of designer brand CHARINYEH.

Rising labor costs in China, and shipment fees considerably increased clothing manufacturing costs for the Taiwanese designer, who used to outsource 60 percent of her brand's production to China.

"Processing fees charged by Original Equipment Manufacturers in China's textile industry steadily increased over the years, if a piece of clothing costs NT$300 (US$9.65) to make in Taiwan, it might cost nearly NT$500 to outsource in China!" said Yeh.

Surging manufacturing costs in China have driven many Taiwanese textile companies to relocate their factories from China to Vietnam or Cambodia.

In recent years, Yeh moved back production to Taiwan, where it is easier for her to control product quality, improve mobility, and streamline her design concept with clothing production.

Nearly 70 percent of the fashion designer's clothing is made in Taiwan these days because costs can be substantially lowered, especially after deducting shipping costs.

Her clothing franchise currently has 20 retail shops in Taiwan, and employs about 30 people.

Yeh redirected her company's marketing focus to Taiwan, abandoning previous thoughts of launching the brand in China, due to the competitive fashion industry market there, and surging costs to manage retail shops and employees.

Her clothing designs integrate elements of Taiwanese culture, previously drawing on inspiration from the country's iconic Alishan mountain, rice stalks, old fashioned grocery stores, traditional banquets and more.

Source: taiwannews.com.tw– Mar 10, 2017

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Germany: Texprocess to demonstrate networked production of clothing

At the upcoming Texprocess trade fair, a Digital Textile Micro Factory will present a live demonstration of an integrated production chain for apparel for the first time. Texprocess will demonstrate the entire networked production of items of clothing – from the design stage to digital printing, automatic cutting out and fabrication in the micro factory.

Texprocess will set up the micro factory in collaboration with the German Institutes for Textile and Fibre Research in Denkendorf and a number of well-known companies in the textile sector. Visitors at Texprocess will follow a signposted path through the various individual stages of manufacture in the micro factory and will be able to get information from experts at each stage.

"Especially when it comes to 'fast fashion', micro factories offer the opportunity to put ideas into practice immediately and to try out new business models, based on specific customer requirements. They facilitate a type of production that is responsive to the market and, as an additional bonus, ensure optimised use of material, so as to contribute to greater levels of sustainability in textile processing," said Olaf Schmidt, vice president textiles and textile technologies at Messe Frankfurt.

The first stage in the micro factory is the CAD/Design area. With the help of computer-aided design (CAD) and the Vidya 3D-simulation software, creative designs are put into effect in a virtual reality and adapted. Our partner for the Design area is Assyst, a company in the Human Solutions Group.

The next stage (printing) demonstrates large-format inkjet printing, involving sublimation printing on polyester and pigment printing on cotton and mixed fibres. Our partners in the software and hardware business Ergosoft and Mimaki as well as Coldenhove and Monti Antonio are the ones ensuring optimum printing results at this station.

After this comes the cutting area. At this juncture in the production process, the individual orders need first to be identified without anyone touching them.

Identification is made possible by automatically loading the appropriate data files for the cutting-out process. Our partner in this area is Zünd.

In the next section of the production process (assembling), the cut-out elements of the various orders are also identified in a context-specific manner and added to the garment. Our partner in this area is Dürkopp Adler.

In the last step (labeling) the garments will be provided with logos and graphic details that will be washable, can be ironed and are suitable for dryers. Partner of this area is Seripress.

Additional partners of the Digital Textile Micro factory at Texprocess are Eschler Textil and Schoeller Textil. Texprocess will be held from May 9-12 in Frankfurt, Germany.

Source: fibre2fashion.com– Mar 11, 2017

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China: 200 suppliers to show at Intertextile Shanghai Home Textiles

Nearly 200 exhibitors will gather at Intertextile Shanghai Home Textiles – Spring Edition, which runs from March 15–17, 2017 in Shanghai. These companies will be showing an impressive selection of finished products, such as bedding, duvets, pillows, towelling, carpets, rugs, etc. The show will also have an India Pavilion and eight Chinese regional Pavilions.

To cater to different sourcing needs, the organisers have created seven theme zones, which include; Bedding & Interior Decoration Products Zone; Brand Bedding Products Zone; Towel Products Zone; Machinery Equipment Zone; Upholstery Fabrics Zone; Finished Curtains Zone and Designers' Studio.

Leading Chinese and global industry leading suppliers taking part in the show include, Anhui Honren, Asahi Kasei, Cotton Council International, Zhejiang Hexin Holding, Jaspa Herington, Jiangyin Hongliu, Jihua 3542, Jinbaili, Lenzing AG, Pacific Home Fashion, Paramount Textile Mills, Tamurakoma, Tela's Design and many more.

Source: fibre2fashion.com- Mar 11, 2017

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Sri Lanka November exports fell 3.4-pct to $809.7mn

Sri Lanka's export earnings fell 3.4 percent to $809.7 million in November 2016 from a year ago, dragged down by lower shipments of textiles and tea, reversing the year-on-year increasing trend in the previous three months, the Central Bank said.

The November trade deficit widened 47 percent to $922 million from $626 million in November 2015, a statement said.

Sri Lanka's November imports rose 18.2 percent to $1.73 billion, with sharp increases seen in imports of coal, medicines and textiles.

"The trade deficit widened as a result of higher import expenditure amid a decline in export earnings, albeit marginally, during November 2016," the statement said.

"The significant increase in import expenditure in November 2016 was mainly due to higher expenditure on intermediate and investment goods."

"Earnings from tourism continued to record healthy growth, while workers' remittances declined marginally during the month," the Central Bank said.

"Agricultural exports - led by minor agricultural products, spices and tea - and industrial exports - led by textiles and garments; gems, diamonds and jewellery - mainly contributed to this contraction."

Earnings from industrial exports, which account for about 77 percent of total exports, declined by 2.0 percent year-on-year to $624 million in November 2016.

"Export earnings from textile and garments, which account for around 47 percent of total export earnings, declined by 6.6 percent year-on-year to $383 million in November 2016, reflecting lower garment exports to both traditional and non-traditional markets," the statement said.

Spending on imports increased 18.2 percent year-on-year to $1,732 million in November 2016, due to increased expenditure on certain intermediate goods and investment goods, while consumer goods imports fell marginally mainly because of lower car imports.

Expenditure on imports of intermediate goods increased 27.8 percent year-on-year to $883 million in November 2016.

"This increase was largely driven by higher expenditure on textiles and textile articles, coal, gold, base metals and cement clinkers," the Central Bank said.

"Import expenditure on textiles and textile articles increased 54.1 percent, mainly due to an increase in fabric imports. Import expenditure on crude oil increased 5.8 percent.

"Due to the increase in both volumes and unit prices, import expenditure on coal increased 166.3 percent," the statement said.

Sri Lanka's January-November 2016 trade deficit widened 7.5 percent to $8.13 billion from a year ago, the Central Bank said.

Source: economynext.com– Mar 10, 2017

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Bangladesh to work on restoring jute's past glory

Prime Minister of Bangladesh, Sheikh Hasina, said that the conspiracies trying to destroy the jute industry would not work.

She hoped that the past glory of the golden fibre would be restored with the initiatives the present government is taking. The government is giving due importance to jute as the fate of farmers and workers depend on it.

Jute's golden days will make a comeback, said Hasina while addressing an event marking the country's National Jute Day that was celebrated on March 6.

There are bright prospects for bolstering jute production and its exports by making diversified jute products, said a Bangladeshi news agency quoting Hasina.

She added that it is necessary to carry out research for diversification of jute and it is already being carried out in the country.

According to the Prime Minister, close to 4 crore people are engaged in the process of cultivation, production, exports and sales of jute products. The government has also adopted various measures to give a new life to the sector and reopen the closed mills.

Source: fibre2fashion.com - Mar 11, 2017

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Bangladesh: Move to form Joint Trade Council with Cambodia

The government has initiated a process to form Joint Trade Council (JTC) with Cambodia aiming to help boost bilateral trade between the two countries, officials said.

Under the move, the Ministry of Commerce (MoC) recently held a meeting with other relevant agencies to formulate necessary work plan to this effect.

"We have initiated the process for formation of JTC between Bangladesh and Cambodia to boost bilateral trade," an additional secretary of the MoC, involved with the process, told the FE.

The meeting, however, suggested exclusion of the ministry of shipping (MoS) and the ministry of education (MoE) from the process.

Besides, it also decided to take recommendations from ministries or departments concerned for preparing new module of contracts between the two countries after scrutinising the old ones to be signed in future.

The ministries that are needed to be involved for their suggestions for formation of JTC are ministries of foreign affairs, civil aviation and tourism, textiles and jute, industry, Bangladesh Investment Development

Authority, Bangladesh Bank, Bangladesh Tariff Commission, Export Promotion Bureau and the National Board of Revenue.

The MoC also suggested calling an interministerial meeting after getting the recommendations from all concerned ministries and departments for taking decision on formation of JTC.

The MoC has taken the move following Prime Minister Sheikh Hasina's visit to Cambodia from June 16 to June 18, 2014.

During her visit, the two countries issued a joint statement that stressed the need for formation of JTC.

The issue of forming JTC was also discussed during visit of the then senior secretary of the MoC to Cambodia on January 23 -26 last.

Bangladesh and Cambodia signed a bilateral trade agreement on August 4, 2006.

"We will send the draft proposal of JTC to Cambodia after getting recommendations from all ministries and departments concerned," the MoC official said.

The two countries agreed to form JTC for bilateral cooperation in 2010. But since then, there was no tangible development in this respect, according to the MoC.

Bangladesh exported goods worth US $ 4.37 million to Cambodia against $ 1.8 million imports in the fiscal year (FY) 2015-16.

The balance of trade is tilting in favour of Bangladesh over the last few years.

The country's main exports to Cambodia include ready-made garments, footwear, leather and leather goods, tea, jute and jute goods, knitwear, pharmaceuticals, tableware, home linen, textiles, seafood and marine products, potatoes, light engineering products, spices, cosmetic, ceramic and melamine products.

Bangladesh imports mainly edible oil, cotton, clinker and yarn etc.

Source: thefinancialexpress-bd.com – Mar 10, 2017

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World cotton prices set to rise over next 5 years

World cotton prices set to rise over next 5 yearsWorld cotton prices are expected to gradually increase over the next five years, new figures show, as consumption of the raw material exceeds production.

The world indicator price for cotton – Cotlook 'A' index – is forecast to rise by 11% to an average US$0.78 per pound this season, according to Abares, the official Australian commodities bureau, on an August to July basis. This reflects decreased world cotton supplies following a 19% fall in world production in 2015/16.

Abares forecasts prices averaging around $0.80 cents per pound in 2017/18, rising to $0.88 cents per pound by 2021/22. This factors in expectations of continued falls in world inventories, from a high of 24.3m tonnes two years ago, to 16m tonnes in 2021/22.

Next season, world cotton production is forecast to rise by 8% to around 24.7m tonnes, driven largely by an 8% increase in the area planted to cotton.

Production is expected to increase in all major cotton-producing countries except China, where production is likely to fall in response to changes by the Government in 2014/15 to domestic support policies for cotton farmers.

Global cotton consumption, meanwhile, is projected to continue to outpace production over the medium term, leading to a significant decline in world stocks and the stocks-to-use ratio, the report explains.

After a 7% jump next season, consumption is expected to rise by 2.4% per year, boosted by "an expected rise in demand for clothing and textiles in Europe, the US, Japan and Australia," and a projected rise in world crude oil prices.

This is increasing production, particularly in countries such as Australia, Brazil, India, Pakistan and the US.

"The textile and garment industries in these countries are expanding rapidly," the report notes, while highlighting the prospect of "constrained" consumption in China, due to faster growth of imported cotton yarn and textiles and slower growth in finished garment exports.

"China is facing strong competition in the international textile market from neighbouring, low-cost Asian countries such as India, Bangladesh, Vietnam, Indonesia and Cambodia," it notes.

Source: cottonyarnmarket.net – Mar 11, 2017

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Pakistan: Use of polypropylene, jute bags harms cotton's quality

Cotton and cotton products contribute more than 12 percent to the gross domestic products and 57 percent to the foreign exchange earnings of the country.

Pakistan is the fifth largest producer of cotton in the world, the third largest exporter of raw cotton, the fourth largest consumer of cotton and the largest exporter of cotton yarn in the world.

The white gold (cotton) can further fetch better price in the international market if the problem of contamination in raw cotton, use of polypropylene bags and standardised system for production is fully implemented.

A senior member of the Karachi Cotton Association and member of Pakistan Yarn Merchant Association, Ghulam Rabbani, said that contamination continues to be the most serious problem affecting the cotton spinning industry that should be solved. He said Pakistan exports around 62 percent of its cotton in shape of raw cotton, yarn, cloth and garments, while the remaining cotton ends up as domestic consumption of final products.

The Textile Ministry is currently not taking any interest in this matter and the successive governments that planned banning the use of jute and polypropylene bags for transportation of seed cotton failed to implement the orders. Saner elements in the sector on their own avoided using harmful packaging material, but a large quantity of raw lint is still being enveloped in material harmful for maintaining the quality and moister of the stuff.

He said the arrival of seed cotton to the ginning factories should be in cotton cloth bags or open trolleys, while market committees of the selected lint production districts in Punjab and Sindh should be mobilised effectively to check contamination of cotton by traders during storage.

Steps should be undertaken to overcome the problem and introduce cotton standardisation system for the production of high-quality contamination-free cotton, so as to restore its credibility in the international market and fetch its real intrinsic value.

Around 1.5 million farmers (out of a total of 5 million) cultivate cotton over 3.2 million hectares, covering 17 percent of the cultivable area in the country.

Rabbani said that cotton production supports Pakistan's largest industrial sector, comprising more than 400 textile mills, more than 7.5 million spindles, 30,000 looms in the mill sector (including 17,000 shuttleless looms), over 275,000 looms in the non-mill sector, 800 knitwear units, 5,000 garment units (with 211,000 sewing machines), 700 dyeing and finishing units (with finishing capacity of 1,200 million square metres per year).

Nearly 1,200 ginneries, 330 oil expellers and 19,000 to 21,000 indigenous, small-scale oil expellers (kohlus) were working in the sector.

It is by any measure Pakistan's most important economic sector and not surprisingly, government policy has generally been used to maintain a stable and often relatively low domestic price of cotton, especially since 1986-87 to date through the imposition of export duties in order to support domestic industry.

By doing so the government would show its commitment towards making progress on 27 international conventions it has signed as a prerequisite for the Generalised System of Preferences Plus status, obtained in 2014.

Source: dailytimes.com.pk– Mar 14, 2017

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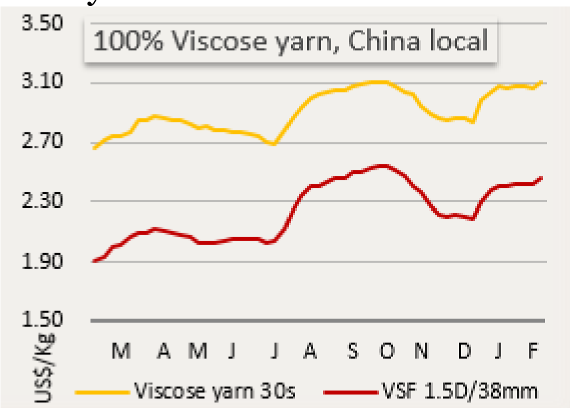
Viscose yarn prices steady in Asian markets

In China, offers for ring-spun 30s weaving yarn in Xiaoshan were flat in the first week of March, while compact siro-spun 40s yarn in Jiangsu were steady on the week.



Spun viscose yarn markets were stable to weak while prices mostly rolled over from previous week. In China, offers for ring-spun and siro-spun yarn were mainly flat. Yarn makers met with more difficulty in liquidating volumes, and some faced piling inventories in recent days.

In Pakistan, VSF prices did not move in the week and there was no rise in viscose yarn prices expected in the short term, due to a weaker demand from the China market.

In India, viscose yarn price were stable to firm in Ludhiana market on support of volatile cotton yarn prices although spun viscose sentiment was just picking up.

Source: yarnsandfibers.com– Mar 13, 2017

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Container Shipping and Asia's Changing Economies

The viability of the international container ship transportation industry depends on vibrant trade between distant nations, and that trade depends on cost-competitive manufacturing industries in the exporting nations, mainly China.

From the early 1980s, China's economy transformed from a medieval socialist economy to a vibrant and dynamic manufacturing economy based on state-of-the-art automated production technology.

The low cost of Chinese-made products was the result of low production costs that included low wages. In more recent years, Chinese hourly production wages have risen to levels approaching hourly production wages in several other nations that include Brazil and India. While Chinese textile products still prevail, clothing factories in nations such as Bangladesh, India and Pakistan have made significant inroads into China's international clothing market.

China versus India

India's steel industry produces cost-competitive stainless steel that is used in a variety of household products that have been exported internationally, competing with Chinese made stainless steel household products. However, recent changes in India's domestic fiscal policy, includes elimination of the widely circulated 500-rupee and 1000-rupees notes on which majority of Indian small businesses depended. That policy could adversely impact India's entrepreneurial innovation and invention sector.

Over the short term, India could become more competitive in terms of exporting a wider variety of cost-competitive consumer products. India is upgrading their domestic railway freight network and improving domestic ports to enhance the performance of the domestic coastal maritime transportation sector.

Increased exports from and around the Bay of Bengal and India's west coast provides a market for India's coastal maritime sector to interline with container mega-ships that could call at the Port of Colombo in Sri Lanka or for westbound exports, at the transshipment Port of Salalah in Oman.

In anticipation of future export trade involving mega-size container ships that are too big to berth at any Indian port, India is developing the new Vizhinjam container terminal with 23-meter water depth near Trivandrum in south-western India.

However, for westbound traffic being exported from northern India through the Port of Mumbai and from Pakistan, the transshipment terminal at Port of Salalah offers shorter sailing distance to European and east coast North American ports. Eastbound trans-Pacific export traffic from western India and from Pakistan would transfer to mega-ships at either the transshipment terminals at Vizhinjam or at Colombo.

Ships and Industries Compete

The combination of rising wages and rising manufacturing costs in China along with advancing manufacturing technology and advancing innovation in nations such as India, Indonesia, Malaysia and Thailand could result is a shift in the Asian export trade involving manufactured goods, textiles and electronic hardware.

Super transshipment container ports such as Singapore and nearby Tajun Pelepas in Malaysia could compete with nearby trio of super ports of Hong Kong, Shenzhen and Guangzhou in terms of exports to Western nations. Future competition could affect the nearby super ports of Busan, Shanghai and Qingdao.

A future increase in the percentage of westbound exports from the combination of India, Pakistan, Bangladesh, Malaysia, Thailand and western Indonesia passing through transshipment super ports located between Jakarta and Oman enhances the economics of sailing mega-ships (18,000-TEU) via the Suez Canal to the North American east coast.

The smaller neo-Panamax ships (13,000-TEU) may actually incur higher transportation costs per container sailing via the Panama Canal from these transshipment ports to east coast North American ports.

Changes in competing Asian industries could reduce the proportion of future exports from Yellow Sea ports to east coast North American ports.

The future viability of several of Asia's transshipment super ports would depend on the future competitiveness on industries in the geographic region. Manufacturing industries will depend on lower energy costs to drive the machinery of production while innovation will seek methods by which to reduce manufacturing cost per item.

While the competitiveness of many Asian industries depends on the combination of low wages and worker skill, there is potential for future automation to produce the same items while competing with low-paid, semi-skilled workers. The industries that produce cost-competitive goods will export and sustain operations at nearby ports.

Economy and Trade

Asian countries that ship containers through ports between Singapore and Colombo account for 5.71 percent of the world economy while Asian countries that ship containers around the Yellow Sea account for 16.7 percent, Japan for 5.91 percent, Western European countries for 11.66 percent and the U.S. for 24.32 percent.

There is much scope for future economic development in India along with prospects for a future Indian manufacturing sector to increase exports to major markets in Europe and America. Main container ship routes reflect the economic strength of the various regions, with mega-size container ships sailing the trans-Pacific and Asian-European routes.

Major Asian transshipment ports of Hong Kong, Singapore and Colombo are located on the container ship route that links major Yellow Sea ports to major European ports. That existing route assures Indian exporters of competitive transportation costs to both European and east coast North American ports.

A future major increase in the westbound export trade from ports between Singapore and Colombo would result in a minor decrease the export trade from Yellow Sea ports.

Future changes in some Asian economies could assure viable operation of mega-size container ships to both Europe and east coast North America.

Non-Asian Economies and Trade

While Brazil and Argentina account for 3.18 percent of the world economy, domestic issues in both countries delay the development and expansion of manufacturing industries that would export to Asian, European and North American markets.

To assure future viability, Brazilian ports that serve super-sized container ships would likely depend on traffic generated through transshipment and interlining. Central and southern African economies would likely undergo minimal expansion of their manufacturing sectors and depend more on bulk export of mined ores and export of agricultural produce.

Over a short-term period of five to 10 years, mega-size container ships would sail the Asia – Brazil and Brazil – Europe services. During an earlier period (apartheid), South Africa was Africa's leading economy in terms of manufacturing and exports except that in recent years, Nigeria and Egypt have become Africa's leading economies.

Mega-size container ships will begin to sail within close proximity of South Africa that is unlikely to develop port accommodation for such ships for several years into the future. While possible, an east-west inland trans-Africa navigable waterway along the Congo River is also unlikely.

Conclusions

China faces looming competition from other Asian economies in such areas as textiles, electronic hardware and household manufactured good. Europe bound mega-ships also sail within close proximity to ports close to these economies.

Future mega-ship traffic destined for European and east coast North American ports could develop in the region between Singapore and Southern India. There is future potential for mega-ships to carry container traffic on the Asia – Brazil, Europe – Brazil and Europe – east coast North America services.

Source: maritime-executive.com– Mar 12, 2017

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8 nations meet on 'One Belt, One Road' vision

Managers, engineers and teachers from eight "One Belt, One Road" countries began three weeks of discussions at the weekend on how to advance textiles in China's ambitious project.

Organized by the Donghua University, the gathering brought together 20 experts from the eight countries, including Ethiopia, Sudan, Kenya and Albania, to assess how the textile industry can take advantage of the initiative.

Donghua University Vice President Liu Chunhong said the university was cooperating with domestic and overseas institutions on textile education and wanted to promote communication to develop the sector along the One Belt, One Road.

Ethiopian Consul-General in Shanghai Mule Tarekegn said textiles were a priority for Ethiopia, and said the sector could help development of many of the countries along "the new Silk Road."

Source: shanghaidaily.com– Mar 13, 2017

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Google is trying really hard to make a smart jacket you won't totally hate

If you're not tired of hearing the word "smart" in front of random appliances, furniture, and pieces of clothing, Google has a hot pitch for you. It's a smart jacket from Levi's and it uses Google's smart textiles platform that goes by the nickname "Project Jacquard." It's being shown off this week at SXSW, but even if you saw the jacket being worn by a fellow festival-goer, there's a really good chance you wouldn't even realize it.

Without a bunch of goofy screens or flashing LEDs, Levi's Jacquard jacket doesn't give the outward appearance of being a gadget at all, and that's kind of the point, at least in Levi's eyes. At a panel at SXSW, Google's Ivan Poupyrev suggested that the company's original vision for the smart apparel included a display of some kind.

Levi's VP of global innovation Paul Dillinger shot down that idea and insisted the tech be integrated into parts of the jacket that already exist naturally.

The result is a fabric touch interface that can't be seen, but still allows the wearer to control various functions of a synced device like a smartphone. Swiping across the sensitive area of the jacket, located near the wrist, lets you skip songs and answer callsA small USB device plugs into the jacket to provide its smart functionality and can be removed so that the garment can be laundered.

It's an interesting — and from various hands-on reports, adequately functional — implementation of touch technology, but its usefulness is obviously a big question mark. Swiping at your wrist to control your phone is essentially what you do with a smartwatch already, and given that you won't conceivably be wearing a jacket all day long, it seems like a very small niche to try to exploit.

Source: bgr.com– Mar 13, 2017

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US cotton exports to touch 13.2mn bales in 2016-17: USDA

Owing to high recent shipments and sales to all major markets, US cotton export outlook for 2016-17 is hiked by 500,000 bales to 13.2 million bales for 2016-17, the US department of agriculture (USDA) has said in its March 2017 report 'Cotton: World Markets and Trends'.

The report also projects US cotton exports to remain at 13.2 million bales in 2017-18.

Among other major exporters, India's cotton exports in 2016-17 is projected to go up by 100,000 bales to 4.5 million on increased overland demand from Bangladesh, substituting for lost Chittagong shipping.

While, exports from Brazil are likely to be lower by 100,000 bales and fall to 2.7 million on competitiveness with US cotton and declining available supplies. Also, exports from Uzbekistan are likely to fall by 100,000 bales to 1.7 million on continued weak shipments to major markets.

"For 2016-17, global production is raised, while use is essentially unchanged, resulting in higher global ending stocks. Global trade is raised. US production is raised, partially offsetting higher US exports. US ending stocks are reduced. The US season-average farm price forecast is lowered half a cent to 68.5 cents/pound," the report reads.

The USDA expects a six million bale decline in global ending stocks in 2017-18, all of which is expected to occur in China, as consumption continues to significantly exceed production while imports remain restricted, eliminating much of existing stockpiles.

Outside of China, forecasts for growth in use are more moderate, at just about 1 per cent growth, while production is expected to rise for another year. Greater production in 2017-18 will largely be driven by higher area, while global yield is likely to decline slightly. Area increases will result from favourable cotton prices around Northern Hemisphere planting times.

Source: fibre2fashion.com– Mar 10, 2017

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Vietnam : Will 86 percent of garment workers lose jobs because of robots?

An ILO report says that more than two-thirds of 9.2 million workers in the textile & garment and footwear industries in South East Asia will be threatened by automation technology, including 86 percent of Vietnamese workers.

Adidas in Indonesia said it plans to cut 30 percent of the labor force, while Hung Wah in Cambodia has removed all manual workers in the cutting and stitching phases.

In Vietnam, automatic cutting and stitching technology has been used since 2015. Each automatic cutting machine can replace 15 workers, while businesses can take back investment capital within 18 months.

A survey in the US in 2016 showed that a company replacing three workers with one automatic sewing machine would be able to save $180,000 within five years.

As the automation technology is getting cheaper, the cost for automatic sewing machines would be four times cheaper than manual workers by 2020.

However, Dr Phan Minh Ngoc, a respected economist, has reassured the public that automation in the labor intensive industries such as textile & garment and footwear won't be a big threat, but an inevitable and laudable trend.

The reports by ASEANstats and other agencies all show that Vietnamese population growth has slowed down.

Vietnam had 90.7 million people in 2014 but it saw an average growth rate of 1.06 percent in the 2009-2014 period, the lowest level in the last 35 years.

The figure is lower than the average growth rate of 1.3 percent per annum in the region.

With the reduced fertility rate and increased life expectancy, Vietnam has entered the aging period with the percentage of people over 65 on the rapid rise, though Vietnam still has a high percentage of young working age people.

The aging of the population will lead to the gradual decrease in the number of workers, thus putting pressure on wages.

Wages are expected to increase even more rapidly than economic growth rate and productivity.

In fact, this tendency has been seen in the last few years. A report by CIEM showed that the real wage in Vietnam has been increasing by 8 percent per annum in recent years, higher than GDP growth rate and productivity (4.2 percent)

In such conditions, automating labor-intensive work and replacing workers with robots will be the most effective way to deal with the labor shortage.

In principle, many unskilled workers will lose their jobs because of automation.

However, Ngoc believes that new opportunities will be brought to workers, because the demand for skilled workers will be increasing.

Source: vietnamnet.vn– Mar 11, 2017

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Pakistan: Will incentives package turn textile sector fortune around?

In a too late bid to uplift the dwindling fortunes of export sector with main focus on textile exports, the government at last has announced Rs180 billion export incentives package that will last till June 2018.

The move might be a political one, as seen by some, being an incentive to receive support in the next general elections. However, it is a much-needed boost for Pakistan's exports sector that is continuously facing downward trend since long.

When the pro-business team of PML-N took reign in 2013, Pakistan had recorded an export of 25,078 million dollars, which were 1.1% higher than 2012. In January 2017, the SBP reported exports for 2015-16 were recorded at $21,977 million. This is a decline by 12.36% during the time period, when a 1% decline is observed in the global level of exports of goods and services. This decline is despite the acclaimed GSP Plus status that Pakistan had obtained in December 2013, suggesting that PML-N has comparatively enjoyed an advantage over its predecessor's government in terms of market access.

The PBS data showed that textile exports amounted to $1.035 billion in December 2016, almost flat as compared to December 2015, but down 1.21 percent over November 2016. Exports of knitwear increased 4.21 percent year-on-year (YoY) and 1.54 percent month-on-month (MoM) in December 2016. Bedwear exports rose 9.26 percent YoY and 0.11 percent MoM. Exports of readymade garments soared 9.23 percent YoY and 11.88 percent MoM in December 2016.

It is worth noting that two earlier export policies, announced in 2013 and 2016, remained unimplemented.

The current package offers cash support and duty waivers for the five leading export sectors: textile, leather, surgical equipment, sports goods and carpets. Each sector has been offered between four and seven percent duty drawback. Similarly, most import duties on raw material exports for the textile industry have been abolished.

Part of the deal is that there will be no condition on getting duty drawback in the first six months (January to June) of the scheme. However, exporters will have to record 10% growth in exports during the next fiscal year 2017-18 as compared to the ongoing financial year. This might prove a headache for the government as well as the exporters may try to outsmart the system by showing false increases in the exports.

Finance Minister Ishaq Dar has promised that these measures will deliver a 15 percent increase in exports by June 2018. This is an ambitious promise to make, given that the downward trend has continued into the first half of this fiscal year. So it is no surprise that there have been questions over whether the package will meet the same fate as the Kissan Package, which was barely able to stem the decline of agriculture in the country.

The real issues underlying the decline of textiles and broadly export sector are: low productivity owing to poor quality of human resource at design and quality stages, uncertainty in energy supply, an inward looking protective tariff regime, artificial support from the government and a general lack of competitiveness in the business firms.

Current situation in the textile industry is not very promising. The process of cotton has increased in the recent period, in addition to this the electricity and sales tax have also increased. Cotton yarn price is decreasing and other input prices are increasing.

The slowdown in economic activity in the Far East has begun to adversely affect Pakistan's textile industry in terms of exports to Japan, South Korea and other South Eastern Asian nations are undergoing a recessionary period.

Many of the problems in the products of the spinning and the downstream industries are due to poor raw materials quality. Only about 5% of cotton crop is suitable for spinning up to count 50.

Most of the cotton grown is of thee short staple variety. It is the inferior quality of locally grown cotton that has led towards production of low count yarn. The looms, spindles and rotors sector has been exposed to challenges of modernization and sophistication of competitors in world markets. Domestic machinery is of poor technology, scarcity of quality yarn and lack of institutional financing are also adding to its problems.

New markets are not being discovered and the rate of growth of yarn exports is lagging behind the rate of growth of domestic yarn consumption. The package is hardly the answer to these deeper problems. It will only help delay our attention from realistic diagnosis. Worse, these packages, because of the power dynamics often benefit large and well-connected textile firms. In other words, the Rs180 billion package is a part of the problem, not the solution.

The major problem, textile industry is facing is the non- tariff barriers like ISO 9000 and ISO 14000. These standards lay greater emphasis on packaging, safety, and handling etc. Although the Pakistani textile industry and subsequently spinning industry is faced with a lots of problems, but there is a ray of hope as this year a bumper crop of around eleven million is expected.

Source: nation.com.pk– Mar 13, 2017

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China warns of trade war if US imposes tariffs on its goods

China has warned of a trade war with the US if the Trump administration decides to ignore WTO rulings and unilaterally imposes tariffs on its goods. “If any member ignores WTO rules for its own interests and rejects WTO rulings on trade disputes, multilateral trade mechanisms would become meaningless and the trade wars of the 1930s could even be repeated,” Sun Jiwei, a spokesperson for the Ministry of Commerce (MOFCOM) said, reacting to moves by Washington to ignore the world trade body.

Mr. Sun was reacting to annual trade policy agenda sent to Congress by the new US government implying that America is not bound by World Trade Organisation (WTO) decisions.

The new US policy will also strictly enforce its trade laws, which include a “safeguard” provision that allows the Washington to unilaterally impose relief “if increasing imports are substantial cause of serious injury to a domestic industry,” state-run Global Times reported.

US President Donald Trump, who made some tough statements against China before and after his election, branded Beijing as a currency manipulator to gain unfair advantage from exports and even threatened to impose 45 per cent tariffs on Chinese goods.

China’s Commerce Minister Zhong Shan, told media last week that China and the US are interdependent, and bilateral trade relations affect not just the two countries but the world.

“Many Americans and their Western friends think that China has to rely on the US. I think they are partially right. But the US has to rely on China as well,” Mr. Zhong said.

The report said the new US document asserts that “Americans are not directly subject to WTO decisions,” and that the US will defend its national sovereignty over trade policy and use all possible sources of leverage to encourage other countries to open their markets to US exports of goods and services.

Mr. Zhong said China receives 26 per cent of Boeing airplane orders, 56 per cent of US bean exports, 16 per cent of automobile exports and 15 per cent of integrated circuit exports.

China—US trade reached $519.6 billion in 2016, representing 207 times that of the 1979 amount, when diplomatic relations started, he said. However, the balance of trade is heavily tilted in favour of China as US exports amount to about $100 billion.

“A trade war is not in the best interests of the two countries and peoples because a trade war only does much more harm than good,” Mr. Zhong had said.

Source: thehindu.com– Mar 14, 2017

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Spinning industry seeks more sops to boost yarn exports

Blame it on increased spindleage or faltering demand for cotton yarn — the alarm bells seem to be ringing with piling inventory of yarn on the one hand and production halt by the powerloom, handloom and made-up sectors for close to a fortnight now.

Industry sources say the domestic market for cotton yarn is more lucrative than exports.

And India's cotton yarn export numbers released by the Ministry of Commerce and Industry confirm this.

The data reveals that there was a 1.4 per cent negative growth in India's total exports during 2016 at $263.93 billion against $267.74 billionduring January-December 2015.

Export of cotton yarn, both in terms of volume and value dipped 11.6 per cent and 15.5 per cent respectively during January-December 2016 compared to the corresponding period of the previous year.

Drop in exports

Cotton yarn export dropped from 1,328 million kg (mkg) during 2015 to 1,175 mkg the following year and the value slipped to $3164 million from $3743 million.

But, during December 2016, cotton yarn export volume touched a high of 172.6 mkg against 114.9 mkg during the corresponding month of the earlier year, registering a 50.2 per cent growth. Unit value realisation, which during 2016 stood at $2.38/kilo of cotton yarn (compared to $2.82/kilo in 2015) further slipped to $2.11/kg in December 2016.

Thus, while the December 2016 cotton yarn export volume grew 50.2 per cent, in value terms, the growth was only 20.1 per cent.

“The drastic drop in the offtake of cotton yarn by China has hurt the Indian spinning industry the most in the textile value chain,” say industry experts.

No ground for exclusion

Industry sources aver that the Centre should consider extending the Merchandise Exports from India Scheme (MEIS) and Integrated Environmental Solutions (IES) benefit for cotton yarn as well, as all other products in the textile value chain have been included in the list.

"We have been demanding extension of MEIS to far-off destinations as it would help offset high cost of transportation, but the government has not relented to our plea," an industry source told *BusinessLine*.

That's not all. Small textile exporting countries such as Vietnam and Bangladesh have been taking advantage in global trade due to trade barriers against Indian textiles in the US and European markets.

While the present situation seems distressing, India Ratings & Research (Ind-Ra) report could possibly give some hope for the Indian textile industry in FY 18. "The Centre's stimulus and implementation of Goods and Services Tax (GST) could push India's textile exports," the report notes.

A blessing in disguise

Ind-Ra believes that in FY18, India's share in the global textiles and apparel trade could see an increase given US' exit from the TPP (Trans Pacific Partnership) and the likelihood of tax rationalisation under GST.

Further structural advantages in the form of dominance in cotton production, cost and quality competitiveness due to increasing integrated fibre to apparel/ made-ups capabilities, government's stimulus to exports, declining interest rates and stable currency regime are expected to favour India's export share.

Source: thehindubusinessline.com- Mar 13, 2017

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All you wanted to know about ...Trade Deficit

It is not just Indian software firms that are caught between a rock and a hard place after Donald Trump's election victory. Exporters of agri-commodities, textiles and apparel are soon likely to be in the same situation.

One of the first policy steps that the Trump regime plans to take to "make America great", is to home in on the trading nations with whom the US runs a big trade deficit, and force them to shrink it. It has released a new Trade Policy Agenda 2017 to identify and crack down on such trade partners.

While China (US runs a trade deficit of $300 billion with it), Germany ($68 billion) and Mexico ($62 billion) are high on the hit-list, India figures on it too given that the US runs a trade deficit of $30 billion with it.

What is it?

Trade deficit is the excess of a country's import bill over its export receipts. To illustrate, the US trade deficit of $502 billion in 2016 means that the country spent $502 billion more on importing goods and services from other countries last year, than it earned by shipping stuff out.

While some nations have an insatiable appetite for foreign goods, others are the opposite. They sit on a healthy trade surplus by churning out products and services that other nations need. Think of China.

India runs a trade deficit, with its import bill on crude oil, precious metals, electronic goods and other items, far exceeding its export earnings. In April to December 2016, India's trade deficit was $76 billion.

Just like the US, India too is keen to shrink its trade deficit, especially the yawning one with China.

Why is it important?

Running a persistent trade deficit has three key adverse effects on the economy.

One, the country's demand for dollars (foreign exchange) is usually greater than the supply. This leads to a steadily weakening home currency.

Two, a high trade deficit also forces a country to constantly look to foreign investors to make up the gap between its export earnings and its import payouts.

Three, in a slow-growing world, a rising trade deficit could be an indication that domestically produced goods are unable to compete against imports. If local factories shut down, that leads to job losses. It is the last factor that has the Trump camp worried. The dollar has been none the worse for US' sustained deficits.

The US is hoping that by imposing high import tariffs on trade partners who run a large deficit with it, it can coax global manufacturing giants to relocate their factories back to its shores. By leaning on countries such as China and India to dismantle their import barriers, it can also access new markets for American goods and services.

Why should I care?

Well, what the US does about its trade deficit with India matters a lot to both its exporting and importing sectors and the people who are employed in them. You may have read about the the controversy over issuing H1B visas.

That's not good news either for India's young population looking for jobs, or for its policymakers looking to reap its much-touted demographic dividends. Export oriented sectors such as IT, agriculture and textiles are top job creators in the country.

Given that the US is one of the few countries with which India runs a trade surplus, a reversal of this trade balance can spell trouble for the exchange rate.

The bottomline

Do unto others as you would have them do unto you.

Source: thehindubusinessline.com- Mar 13, 2017

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Mills' plea to ban export of cotton waste

The 350-odd Open End Spinning Mills (OESM) in the state pulled shutters for a day on Friday to press their demand for a ban on export of cotton waste.

G Arulmozhi, Secretary, Open End Spinning Mills Association (OSMA), said the decision was also in support of the strike called by the powerloom weavers in Tirupur and Coimbatore districts since March 1.

Production stalled

Production in the powerloom weaving units have come to a standstill for ten days now. These units applied the brake as yarn demand nosedived and stocks piled up.

The OSMA secretary told *BusinessLine* that member units were hamstrung by spiralling rates of Comber Noil coupled with supply constraints, forcing many units to either go slow or halt production.

To highlight the plight of open end spinners, powerloom and handloom weavers, representatives of eight associations such as OSMA met Union Textiles Minister Smriti Irani in Delhi recently, seeking immediate government intervention on export of cotton waste.

The closure has rendered many workers jobless, causing huge economic blow, Arulmozhi said.

Representatives of the associations also met Chief Minister Edapadi Palanisamy to request withdrawal of the one per cent market cess on Comber Noil and stressed the need for a processing and dyeing cluster in Tuticorin, he said.

Source: thehindubusinessline.com- Mar 11, 2017

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Economic thrust to weaver community

The government is planning to implement a three pronged strategy to improve the economic conditions of the weavers on a permanent basis. Stating this during the presentation of budget proposals, the Finance Minister Eatela Rajender said that the strategy consists of government purchasing handloom textiles, provision of subsidy on yarn and dyes and developing marketing facilities.

He said the government was taking necessary steps to modernise the power looms and to improve productivity. The government has succeeded in convincing the power loom owners to pay their workers at least Rs 15,000 per month as wages.

The government has decided to procure cloth only from handloom societies and also proposed to extend financial support to handloom weavers to take up alternative livelihood avenues.

It has been proposed to develop a textile park at Warangal and an apparel park at Sircilla.

An amount of Rs1,200 crore has been proposed towards assistance to weavers in the 2017-18 Budget. This is a significant jump as compared with the previous allocations, he said.

Source: thehansindia.com- Mar 14, 2017

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'India's revenue growth to improve to 5-year high in FY18'

The revenue growth of India will improve to a 5-year high in fiscal 2018, but with limited upside to profitability, according to a global analytical company's recent report.

India is witnessing a series of resets, be it in growth expectations, ecosystems or industries, and such structural changes will have more long-term benefits than short term.

Releasing its annual India Outlook Series report called 'Colours of Growth' on the prospects of the economy for the year starting April 1, 2017, Crisil said India Inc's revenue growth, driven by consumption, will hit a 5-year high of 8-9 per cent in fiscal 2018. Operating profit margins are likely to remain range-bound as higher commodity prices will take a toll on end-user sectors.

In fiscal 2018, absent fiscal and monetary stimuli and unsupportive global environment, Crisil foresees only a mild recovery in the Indian economy, with GDP edging up 30 basis points to 7.4 per cent over fiscal 2017, driven by pent-up consumption demand after demonetisation.

"The ongoing resets would lead to consolidation in three ways: in consumption, after the demonetisation shock; in infrastructure, through deployment of innovative financing; and, lastly, in market shares because capacities will change hands for various reasons such as intense competition, GST, policy action, formalisation of the economy and stressed assets evolutions," said Ashu Suyash, managing director and CEO, Crisil.

Ample headroom in capacity utilisation, stretched balance sheets and just a moderate pick-up in demand will mean revival in the private sector investment cycle would get deferred to fiscal 2019.

While the decline in interest rates over the past two years in salutary, it will not be enough to revive the investment cycle till other factors, such as demand and deleveraging, also turn conducive. That means once again, the government and the public sector will have to do the heavy lifting next fiscal, especially on infrastructure side, to ensure growth stays the course, said the company in a press release.

"What clearly emerges as a confluence of all this is only a mild reovery as the investmnt cycle remains subdued with low capacity utilisation and stretched balance sheets.

The ongoing resets, declining interest rates and new financing tools such as Expected Loss ratings for operational infrastructure projects, will provide a more robust and sustainable foundation for long-term growth," added Suyash.

Meantime, the credit quality of India Inc is showing sings of gradual recovery driven by firm commodity prices, stable macros, impact of sustained structural reforms, improving capital structure and lower interest costs.

Crisil believes the banking sector will see lower slippages to NPAs. Signs of turnaround are increasingly visible in some commodity-linked sectors (especially metals) and in the mid-sized EPC segment. Nevertheless, the underlying fragility will continue and keep NPAs at elevated levels given some sectors are continuing to struggle.

Source: fibre2fashion.com- Mar 11, 2017

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Government seeks closer engagement with Latin American nations

In a clear shift in its policy towards Latin American (LatAm) nations, the government now proposes more frequent political and economic engagement with smaller countries of the region to widen its influence and expand investment opportunities.

A large delegation comprising senior government officials and business leaders will be heading to El Salvador later this month to participate in an investor summit that will bring together businesses from across the globe. The summit is slated to be held in San Salvador from March 28-30.

The government plans to use this event not only to seek new investment opportunity for Indian companies, but also for building ground for a more lasting and stronger political relationship with the central American country. A similar engagement is also proposed later with Guatemala, Nicaragua, Honduras, Panama, Costa Rica, Belize and Bolivia.

Talking to FE, minister of state for external affairs VK Singh said, “We need to look at the LatAm region more deeply. Groupings such as the Community of Latin American and Caribbean States (CELAC) and Central American Integration System (SICA) are very important. And we must utilise our goodwill so that our influence increases in the region.”

“Each country has got certain strengths and it is up to us to tap them. Indian businesses should go to these countries and invest. Let’s look at the future,” the minister said in reply to a question about the coming investor summit in El Salvador.

“The initiative is organised by the Export and Investment Promotion Agency, PROESA, with the support of the Inter-American Development Bank and the ministry of foreign affairs, among other important collaborators,” Jose Felix Ulloa Alvarenga, chargé d’affaires, embassy of El Salvador to India, told FE.

“The summit will launch a country brand presentation and hold a conference with various high-level panel discussions to underscore the competitive advantages to choose El Salvador as a sound investment destination,” the envoy said.

India’s engagement has so far largely concentrated on the big countries of the region including Brazil, Colombia, Chile, Argentina and Peru. Investment flow has also been concentrated in larger economies. But it is now felt that bringing smaller countries to the fold would also be important, as it would help India gain their support on issues of interest in various international fora.

Also, some of these countries have rich natural resources that could become an area of cooperation for mutual gain.

The investor summit will target presidents, directors and CEOs of national and international companies for fostering trade and diversification with the aim to promote exchange of products and services with added value.

Among the target audience in the Asia Pacific region, India becomes of particular relevance and interest as it has emerged as the fastest-growing large economy in the world.

The central American nation is seeking investments from India in manufacturing and services, specifically in the areas of textiles and apparel, offshore business services, energy, tourism, aeronautics, and light manufacturing.

Indian companies such as Aditya Birla Group, UPL, Glenmark Pharmaceuticals and Hero MotoCorp already have a presence in the region.

Source: financialexpress.com- Mar 14, 2017

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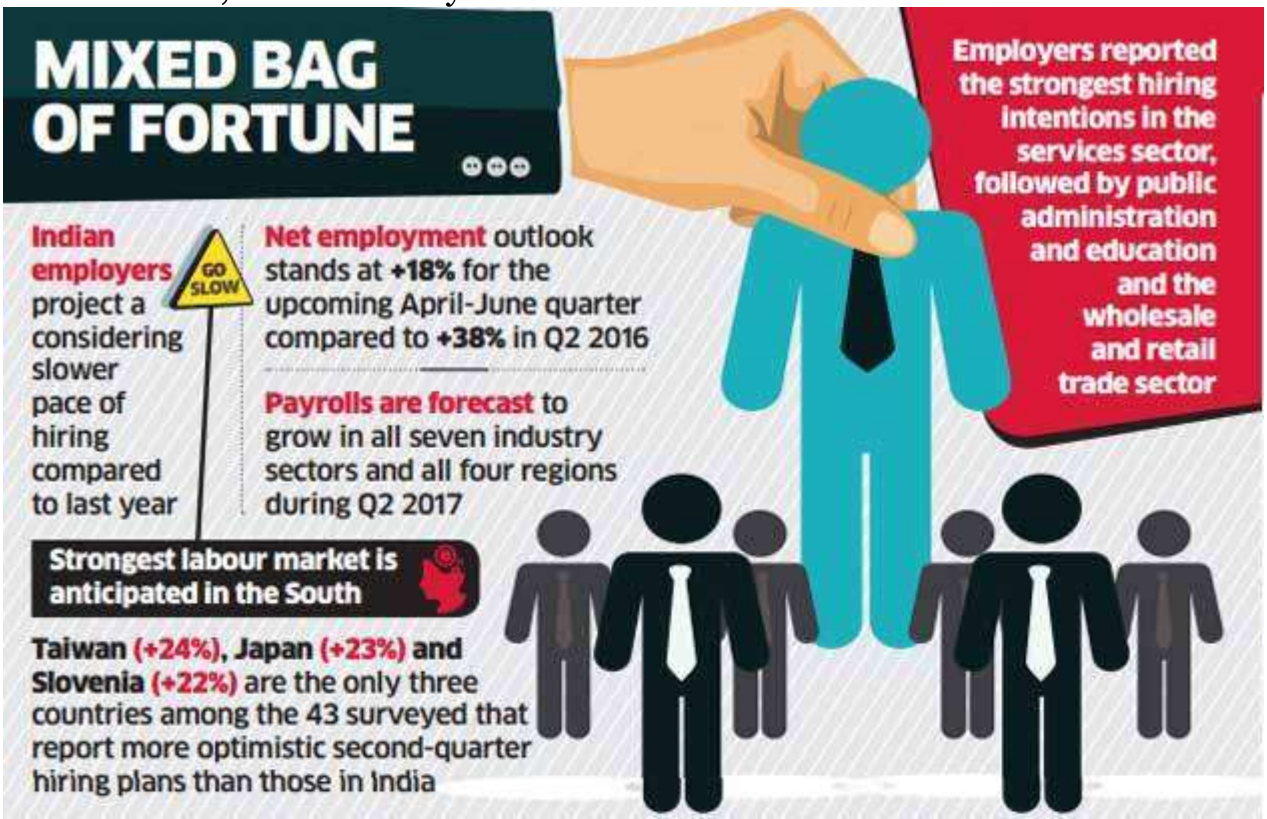
Jobs may be harder to come by on global slowdown, automation

Opportunities for job seekers in the country are expected to be less bright in the April-June quarter than they were a year ago as Indian companies grapple with increasing technology automation, global business uncertainties, and a scarcity of talent for niche skills.



Only 19% of the 4,389 Indian employers participating in the ManpowerGroup Employment Outlook Survey Q2 2017 said they planned to increase staffing.

About 1% planned to decrease and 68% expected no change, resulting in a net employment outlook of +18%.

By contrast, the gauge in the January March 2017 quarter was +21%, while the corresponding figure for April-June 2016 was +38%. After the latest survey, India's net employment outlook has now trended lower for five consecutive quarters, according to the Manpower survey.

Globally, however, employers in only three other countries — Taiwan, Japan and Slovenia — of the 43 surveyed report more optimistic second-quarter hiring plans than those in India.

"The hiring outlook will move at a slow, but steady pace," said AG Rao, group managing director of ManpowerGroup India. "Despite the market volatilities, India's macroeconomic fundamentals have improved due to a combination of various initiatives focused on job creation and skill development, with a continuing emphasis on ease of doing business."

Workforce gains are anticipated in all seven industry sectors during the coming quarter. The strongest hiring prospects are reported in the services sector, where employers report a net employment outlook of +22%, followed by the public administration and education sector and the wholesale and retail trade sector at +21%.

Manufacturers expect steady payroll gains, reporting an outlook of +16%, while growth of +15% is likely for the finance, insurance & real estate sector and mining & construction. Meanwhile, transportation and utilities employers report the most cautious outlook of +10%.

Hiring intentions weaken in six of the seven industry sectors when compared with Q1 2017, with the transportation and utilities sector showing the steepest decline of 9 percentage points. The outlooks are 7 and 6 percentage points weaker in the mining and construction sector and the manufacturing sector, respectively.

However, employers in the wholesale and retail trade sector report no quarter-over-quarter change. "In the current situation, companies do realise the need to embrace digital transformation and it is important for Indian employers to redefine their workforce strategies and adopt innovative ways to leverage the strength of people and stay competitive," Rao said.

When compared with this time one year ago, outlooks decline in all seven industry sectors, the most notable ones being declines of 27 and 24 percentage points in the manufacturing sector and the mining and construction sector, respectively, while the outlook for the transportation and utilities sector is 21 percentage points weaker.

Employers in all four regions anticipate an increase in staffing levels during Q2 2017, with the strongest labour market forecast for the South, where the Net Employment Outlook is +29%. The North and the West regions have outlooks of +18% and +15%, respectively, while the Outlook for the East stands at +12%.

When compared with the previous quarter, Outlooks decline by 5 percentage points in both the North and the East, while employers in the West report a decrease of 4 percentage points. Outlooks weaken in all four regions when compared with the second quarter of 2016. Steep declines of 26 and 25 percentage points are reported in the East and the West, respectively. Employers in the North report a decrease of 16 percentage points, while the Outlook for the South is 12 percentage points weaker.

Source: economictimes.com- Mar 14, 2017

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