

IBTEX No. 36 of 2017

Feb 17, 2017

USD 67.05 | EUR 71.53 | GBP 83.82 | JPY 0.59

Cotton Market Update		
Spot Price (Ex. Gin), 28.50-29 mm		
Rs./Bale	Rs./Candy	USD Cent/lb
20389	42650	81.11
Domestic Futures Price (Ex. Gin), March		
Rs./Bale	Rs./Candy	USD Cent/lb
20870	43655	83.02
International Futures Price		
NY ICE USD Cents/lb (March 2017)		75.71
ZCE Cotton: Yuan/MT (May 2017)		16,125
ZCE Cotton: USD Cents/lb		88.47
Cotlook A Index - Physical		85.8
Cotton & currency guide:		
<p>Cotton price traded mixed to sideways on Thursday's trading session. This has been 12 consecutive trading sessions both spot and futures price of cotton in India has been trading in a very tight range.</p> <p>Cotton witnessed a flat trend to average between Rs 42,550-44,250/candy across major markets in thin trade activity. Market players were awaiting fresh cues to take on the driver's seat as price remained stable on account of lean business activity. Further, they were observing the trend in the global market which was range bound and securing their position. Fundamentally, steady demand and supply was supporting price during the day with need based buying by small mills on account of good demand from yarn market on the retail level. Cotton eased Rs 100-200/candy on account of limited demand. Prices slipped Rs 200-300/candy in the late evening session on weak global cues. Cotton arrivals in Gujarat were at 42,000 bales; lower by 3,000 bales from February 15.</p>		

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Coming to global front the US cotton futures on the ICE fell for the third straight session on Thursday on technical selling ahead of the first notice day for the March contract due next week.

The March cotton contract settled down about 1 percent at 75.01 cents per lb on Thursday ahead of first notice day which is due on February 22. Short term uptrend led to some profit booking by speculators while the market was on a temporal pull back towards 74-75 cents in May. The benchmark May cotton contract on ICE Futures U.S. settled down 0.51 cent, or 0.66 percent, at 76.77 cents per lb. It traded within a range of 76.76 and 77.44 cents a lb.

**Compiled By Kotak Commodities Research Desk , contact us :
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NEWS CLIPPINGS

INTERNATIONAL NEWS	
No	Topics
1	Visitors at four concurrent Paris textile shows up 6.9%
2	Textile Wars: Will 'Made In Italy' Replace 'Made In China'?
3	Spun Yarn Prices Sharply Rising In China
4	Russia funds UNIDO's programme to boost Armenian textiles
5	Karachi: Cotton prices records new seasonal high
6	Bangladesh most transparent in workplace safety: BGMEA
7	Thailand to India: speed up decision on free trade pact
8	Bangladesh seen as a potential and future market by global yarn makers
9	South Asia Textiles strategizes long term business plan with MTI
10	Sweden keen to boost Zim investment, exports of clothing and textiles
NATIONAL NEWS	
1	Export figure promising; sector on path of revival
2	2016 Indian cotton imports and exports analysis
3	Indian bed linen firm installs three Monforts units
4	Exporters propose 10 textile units in Warangal
5	Indian companies to display textiles in Dubai fair
6	Textiles Department Working on branding of handicrafts items
7	Manufacturers & ministers bet big on Jharkhand

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INTERNATIONAL NEWS

Visitors at four concurrent Paris textile shows up 6.9%

Attendance of visitors at four textile and apparel trade shows, Apparel Sourcing; Avantex; Shawls and Scarves; and Texworld held concurrently in Paris totalled 13,559 visitors, up 6.9 per cent compared with the show held in February 2016. Buyers coming from the European Union and the Americas also grew 6 per cent over the previous edition.

Of these, attendance of French buyers grew 12 per cent, Italians 9 per cent and Spanish 3 per cent, while those from the UK remained stable, although it remains the second most represented country. Visitors from Greece rose by 13 per cent, a surprise growth for the organisers.

Visitor numbers from the US expanded 9 per cent, from Brazil and Argentina jumped 36 per cent and that of Mexico grew slower at 5 per cent, while buyers from the African continent ascended 17 per cent over the last edition.

Source: fibre2fashion.com– Feb 16, 2017

[HOME](#)

Textile Wars: Will 'Made In Italy' Replace 'Made In China'?

China's textile industry is a world beater, accounting for over 60% of world chemical and synthetic fibre production. Cotton production is lower, but still large, at over 20% of the global total, ranking only behind India in 2016. The trend, however, is downwards as China is caught between rising domestic costs, persistent technical and distribution advantages elsewhere.

A recent decision by a European clothing manufacturer to source its wool supply in Italy, rather than China, is a sign of changing times, but the implications of this wider trend for China are pretty stark.

Although it is just one story, and given the scale of the industry worldwide, could never be more than a straw in the wind, it nevertheless represents the kind of granular detail of widely telegraphed changes in China's economy. And it's bad news.

Nothing new

This is not necessarily a new trend. Even in textiles, it has long been clear that China is no longer the prime destination for new investment. About a year ago, for example, stories appeared about Chinese investment in cotton processing in South Carolina in the U.S.. This particular story, however, showed how low U.S. energy costs were making it worthwhile to locate processing equipment in the U.S..

There were one or two other factors involved in the decision, such as tariffs on raw cotton imported into China, and no tariffs on processed fabrics etc, but nevertheless, the story highlighted a welcome further integration of Chinese investment into global supply chains, and signalled a hoped-for rebalancing, offering good employment in exactly the parts of the U.S. that were thought vulnerable to Trump's protectionist appeal.

Come November and Trump won South Carolina anyway. But the detail of that story was really about energy costs and raw materials. Labour costs are higher in South Carolina than in China, but no longer so much higher as to discourage the investment altogether. Equally, this investment was part of a pattern of off-shoring from China's textile industries, although the biggest movement has been towards South East Asia, and very much in search of lower labor costs.

Quality matters

The more recent story in Italy however, is different in that it represents sourcing decisions by European clothing companies. In other words, the cost of factors is no longer simply driving investment decisions by Chinese producers, but seeing those producers undercut when competing for specific production orders.

Again, there is more to it than simple costs. Italian fabric producers are closer to market, so not only is transport cheaper, but timelines between orders and sales are shortened, and in the fast-paced world of high fashion, this matters. But the cost pressures are only going one way.

Aggregate producer price inflation (PPI) was measured in January at 6.9% year-on-year, a five-year high. And labor costs are rising at a eye-watering 12% approximately.

Source: forbes.com– Feb 16, 2017

[HOME](#)

Spun Yarn Prices Sharply Rising In China

Spun yarn prices have started rising sharply in China, on both domestic and import markets, resulting from fresh jumps in fibre prices.

With PSF and VSF prices sharply increasing over the week, 100% polyester and viscose yarn prices have also been raised by spinners. Meanwhile, cotton prices have not changed yet, allowing spinners to improve their margins.

Spun Yarn Prices in China (Domestic and Import)					
	In Yuan a kg		In US\$ a kg		
	7-Feb-17	14-Feb-17	7-Feb-17	14-Feb-17	Abs chg
Domestic Qiangqing Market					
Cotton 3128B	16.00	16.00	2.34	2.32	-0.01
16s KH	21.70	22.10	3.17	3.21	0.04
32s KH	22.90	23.25	3.34	3.38	0.04
40s KH	24.10	24.30	3.52	3.53	0.01
40s CH	24.85	25.00	3.96	3.96	0.00
1.4D PSF	8.75	8.95	1.28	1.30	0.02
32s poly, wvg	12.55	13.25	1.83	1.92	0.09
1.5D VSF	16.78	17.20	2.45	2.50	0.05
30s viscose	20.95	21.45	3.06	3.12	0.06
Imported Cotton Yarn (CNF China*)					
21s India			2.63	2.65	0.02
21s Pakistan			2.53	2.58	0.05
32s India			2.88	2.93	0.05
32s Vietnam			2.88	2.92	0.04
32s Indonesia			2.85	2.87	0.02
<i>* Excludes insurance, import taxes, VAT and port charges</i>					

In Qiangqing, cotton yarn prices have gained up to 0.40 Yuan per kg or US cents 4 per kg since the end of new year holidays. Similarly, polyester spun prices have surged 0.40-0.70 Yuan a kg or US cents 5-9 a kg. Viscose yarn prices have jumped 0.20-0.50 Yuan a kg or US cents 6.

Yarn import prices have more sharply increased in the past week, up US cents 2-5 a kg. From their level a month ago, imported yarn prices have surged US cents 12-22 cents, considering 21s and 32s cotton yarns.

Local yarn prices have become increasingly competitive compared with import prices, as a result, which may curb shipments from India and Pakistan, and also Vietnam.

Source: commoditiescontrol.com – Feb 15, 2017

[HOME](#)

Russia funds UNIDO's programme to boost Armenian textiles

The Russian Federation has signed an agreement with the United Nations Industrial Development Organization (UNIDO), whereby it will provide \$2 million for implementation of the second phase of a programme designed to boost the Armenian textile industry. The first phase yielded significant results for small and medium-sized textile enterprises in Armenia.

The aim of the second phase of the programme is to help boost sales of products produced by Armenian textile and clothing companies, as well as to embrace the leather and footwear sectors, said Anahit Simonyan, the coordinator of UNIDO programmes in Armenia.

"The programme will contribute to the revival of the textile, garment, leather and footwear industries and will as well strengthen Armenia's position in the international market," said Simonyan.

The programme 'Improving competitiveness of export-oriented industries in Armenia' will create many new jobs and encourage female employment, said Andrei Ivanov, an aide to the Russian ambassador in Armenia.

Under the pilot phase of UNIDO's two-year programme launched in 2014, representatives of eight participating companies, united under the single brand name '5900BC', were trained by Armenian and UNIDO experts for the development and production of a joint collection of fashionable clothes. In addition, a fashion school Atex Burgo was set up in Yerevan in collaboration with the Milan based Fashion Institute Burgo.

In 2016, apparel production in Armenia increased by 16.4 per cent to 11.5 billion drams (\$23.63 million), while textile manufacturing declined by 4.8 per cent to 466 million drams (\$0.96 million).

Source: fibre2fashion.com – Feb 16, 2017

[HOME](#)

Karachi: Cotton prices records new seasonal high

Sustained demand from needy spinners to replenish their stocks over tight supply of quality cotton and strong demand pushed Cotton prices on Wednesday to a new seasonal record high. There were a couple of big deals which indicated spinners are keen to get maximum stocks from local source.

However, active trading prevailed at the Karachi Cotton Exchange on Wednesday, while spot rates remained firm.

The spot rates stood unchanged at Rs6,700/maund (37.324kg) and Rs7,180/40kg. Ex-Karachi rate also remained firm at Rs6,835/maund and Rs7,325/40kg after an addition of Rs135 and Rs145 as upcountry expenses, respectively.

According to analyst, cotton prices would likely to remain firm in Pakistan, as the demand has increased after announcement of the textile package by the government.

KCE recorded domestic transactions of around 14,000 bales from eight stations in between Rs6,375/maund to Rs7,050/maund. Trading stations included Shahdadpur, Khanpur Mahar, Yazman Mandi, Fazilpur, Khanpur, Rahimyar Khan, Mian Channu and Haroonabad.

Major deals that changed hands on the ready counter were: 600 bales from Shahdadpur at Rs6,375, 600 bales from Khanpur Mahar at Rs7,000, 600 bales from Yazman at Rs7,000, 400 bales from Fazilpur at Rs7,000, 5,861 bales from Khanpur at Rs7,000, 5,600 bales from Rahimyar Khan at Rs7,000, 400 bales from Mian Channu at Rs7,050 and 800 bales from Haroonabad at Rs7,050.

The world leading's cotton markets also remained firm with the New York cotton witnessing profit-selling induced by high prices. Indian cotton prices have risen by up to 13 percent during the past 45 days.

According to market reports, the export of Indian cotton this season has so far declined to five million bales against 6.9m bales recorded in the corresponding period last year. The short crop coupled with high prices forced Indian spinners to import cotton from the United States.

As per brokers, due to lower cotton prices in the New York market, China and Vietnam have also become major buyers. This also could be due to availability of quality of US cotton.

Source: yarnsandfibers.com– Feb 16, 2017

[HOME](#)

Bangladesh most transparent in workplace safety: BGMEA

Bangladesh is the most transparent country in the world in terms of workplace safety standards, as the inspection reports of each of its factories are publicly accessible on the internet.

The country's factories are taking leadership in environmental sustainability as it has 67 LEED certified and 13 Platinum LEED certified textile and apparel factories.

"Since the [Rana Plaza] accident we have taken unprecedented steps to reform the industry factory by factory. Global brands and retailers and development partners like International Labour Organization (ILO) have joined hands with our government and industry associations for this reform process," Md Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) told Fibre2Fashion in an exclusive interview.

"The joint efforts have already helped complete inspections in all of our export oriented garment factories in the area of structural, electrical and fire safety.

Risky factories were closed down, and the remaining factories are carrying out remediation activities. So our success is unprecedented and recognised globally.

BGMEA is supporting and promoting the good practices in our member factories," added Rahman.

Competing global brands came together to work for the greater cause of sustainability through the formation of the Bangladesh Accord for Fire and Building Safety (the Accord), the Alliance for Bangladesh Worker Safety

(the Alliance). This unique initiative reveals the commitment of global brands on Bangladesh.

Speaking about Accord and Alliance, he said, "The progress has been impressive so far. All the stakeholders are working with good cooperation from each other. It is expected that the remediation activities in all factories may be completed by the end of 2018."

When asked about what is being done to ensure sustainable development, Rahman replied, "We are engaged with our government, buyers and development partners and running a number of projects like Partnership for Cleaner Textiles (PaCT) and Towards Resource Efficiency & Environmental Sustainability (TREES). We are also organising knowledge session and promoting sustainability issues like water, energy and chemical management among others."

The focus of the country is currently on product and market diversification and it is gradually moving towards high end items to achieve its target of \$50 billion in exports by 2021. Infrastructure and skills development are the priorities and Bangladesh is working to create a more favourable and investment friendly environment in the country and to reduce the cost of doing business.

Source: fibre2fashion.com– Feb 16, 2017

[HOME](#)

Thailand to India: speed up decision on free trade pact



Thailand wants India to fast-track its decision on the proposed full-fledged free trade agreement (FTA) with the country to increase trade and investment flows.

With economic uncertainties gripping the West, Bangkok is trying to strengthen its partnership with Asian countries through bilateral FTAs and regional pacts

like the Regional Comprehensive Economic Partnership (RCEP), said Somkid Jatusripitak, Thai Deputy Prime Minister.

“I think we will have to ask your Cabinet when it wants to give its approval to an FTA with Thailand. We want decision-making to be accelerated,” Jatusripitak said referring to the proposed FTA with India in an interaction with the media.

The Trump administration in the US is changing the direction of the trading regulations that the country had built in the last three decades, he said.

In fact, one of the first decisions that was taken by US President Donald Trump after assuming power was to disassociate the country from the Trans Pacific Partnership, an ambitious free trade pact that the Obama regime had inked with 11 Pacific rim countries, four of which were from the 10-member ASEAN bloc.

“We also don’t have any idea what the EU would be like after the process of the UK’s exit from the EU is over,” the Deputy PM added.

With the uncertain environment in the West, many Asian countries are realising the importance of connecting with each other as their combined market size is half of that of the world.

“Asia has the power of a strong supply chain and technological progress that has spread to many countries. The value chain in Asia has to continuously grow and in turn get linked with the global value chain for overall prosperity,” he said. Thailand Prime Minister Prayut Chan-o-cha and Prime Minister Narendra Modi had agreed to speed up the FTA talks in a meeting in June last year but not much progress has taken place since then.

Cautious approach

New Delhi wants to see what shape the proposed RCEP — a pact between the ASEAN (including Thailand), India, China, Japan, Australia and New Zealand — takes before it gets into an FTA with Thailand as RCEP would be less ambitious of the two, a Commerce Ministry official explained.

India is also a bit cautious on the FTA with Thailand as the early harvest programme with duty reduction in 82 items entered into by the two in

2006 had created some initial glitches for items like television tubes and gold.

A target of increasing bilateral trade from \$8.5 billion in 2015-16 to \$16 billion by 2021 has been set by businesses from both countries.

IT, pharmaceuticals, bio-technology, automotives and tourism are some of the identified areas for cooperation.

Source: thehindubusinessline.com– Feb 17, 2017

[HOME](#)

Bangladesh seen as a potential and future market by global yarn makers

Bangladesh apparel export that is facing challenges in some of its strong markets, including the United States and Europe. Though fabrics and yarn are being locally made, Bangladesh still needs to import a good quantity to meet the growing demand.

Bangladesh is seen as a good and potential market by the global textile and yarn makers. It is likely to be their future market as China has been losing its market share in the global apparel business.

Lavender Zhang, manager of Jiangsu Wulong Knitting Co, a knitwear fabrics maker speaking at the 11th Dhaka International Yarn & Fabric Show 2017—Winter Edition and Dhaka Int'l Denim Show 2017 stated that Bangladesh is a good market for them as the demand for fabrics here is rising from the garment makers.

Zhang said that the demand for specialized textile like linen is very high in Bangladesh, which is quite capable of supplying fabrics in bulk to the garment makers.

Zhang, who came in Bangladesh for the first time to take part in the fair further, added that they have a plan to open a sales office in Dhaka in future as the business is growing.

In Bangladesh, local spinners meet over 90 percent demand for raw materials of the knitwear sector and over 40 percent demand of the woven sector.

However, Bangladesh's apparel exports to the US, its single largest destination, declined 1.96 percent year-on-year to \$5.49 billion in 2016, due to the volatile US economy and the recent presidential election. Exports to the UK and some other European markets also fell last year.

The fabrics and yarn market in Bangladesh is growing riding on the higher demand from the customers, said Arifur Rahman Dewan, manager for sales and marketing at Huaren Linen Group (Bangladesh), a major supplier of linen fabrics from China worldwide which produces nearly 60 million yards of fabrics a year.

Dewan said that currently his company supplies linen fabrics to 15 customers and it has a target to increase the customer base to 100 by the end of 2020. Achieving the target of 100 customers is not difficult in Bangladesh, as there is huge demand for linen products.

Ma Mingqiang, ambassador of China to Bangladesh; Shubhashish Bose, secretary in charge of the ministry of textiles and jute, and Faruque Hassan, senior vice-president of Bangladesh Garment Manufacturers and Exporters Association, were among others who attended the opening ceremony of the 11th Dhaka International Yarn & Fabric Show 2017—Winter Edition and Dhaka Int'l Denim Show 2017. Around 180 companies from six countries are showcasing their products at the three-day event held from 15 to 18 February 2017 at Int'l Convention City, Bashundhara Kuril in Dhaka.

Source: yarnsandfibers.com— Feb 16, 2017

[HOME](#)

South Asia Textiles strategizes long term business plan with MTI

A leading Sri Lankan textile manufacturer, South Asia Textiles Limited (SATL), specializing in producing exceptional quality weft knitted fabric and polar fleece. In order to guard its competitive position from potential regional threats, recently designated MTI Consulting to conduct a detailed

review of their current position and develop a long term strategic business plan.

South Asia Textiles having understood the importance of responding effectively and profitably to the fast changing dynamics of the industry, the need to identify and chart its strategic direction becomes essential.

Hilmy Cader, CEO of MTI said that with the implementation of this project, the company has opted for a proactive stance and is equipping themselves internally to face the changes and challenges that they may encounter in the future.

MTI in order to assist South Asia Textiles, will employ its internationally acclaimed 8S Model framework to execute the project.

This framework would engage the management team through a highly inclusive process of strategic planning consisting of eight stages namely; scope, scan, sights, strategy, structure, staff, sustainability/social responsibility and systems.

This project will also encompass South Asia Textiles' future direction in terms of achieving significant growth while creating sustainable competitive advantage and maintaining its dominance within the dynamic textile industry.

South Asia Textiles Limited, which is an Ultra-modern Weft Knit Manufacturing plant located in Pugoda , Sri Lanka, with the greater flexibility, capability and 700,000KG per month Capacity on offer the plant is able to cater to a wide variety of orders, be it dyed fabric, printed fabric, brushed/suede fabric or yam dyed fabric. SATL is supplying to worlds Best Clothing brands in Europe & USA.

Source: yarnsandfibers.com – Feb 15, 2017

[HOME](#)

Sweden keen to boost Zim investment, exports of clothing and textiles

Zimbabwe needs to revive manufacturing output and exports to stave off an economic collapse. The loss of export earnings has caused Zimbabwe's gross domestic product to shrink by almost a third. Sweden's new ambassador to Zimbabwe, Sofia Calltorp, said that she would immediately start working to restart stalled investment here and resume exports from the southern African country that plummeted after the controversial land grab programme.

Welcoming pledges from President Robert Mugabe for improved cooperation after presenting her credentials at the State House on February 9, Calltorp — who has great experience from both the political arena as well as from the humanitarian field — said she also hoped for a “new phase of cooperation”, and that Zimbabwe's exports of clothing and textiles to Sweden, currently averaging a meagre \$15 000 per annum, could be raised.

Several big Swedish companies are already present in Zimbabwe and they will continue to encourage Swedish investors to engage with the Zimbabwean market. They will together with Open Trade Gate Sweden (OTGS) similarly continue to assist Zimbabwean producers and manufacturers that are keen to export to Sweden or to partner up with Swedish companies.

OTGS provides requisite market intelligence to Zimbabwean companies, particularly those with the potential as well as the capacity to export to Sweden and the European Union (EU).

ZimTrade, in collaboration OTGS and the Embassy of Sweden in Zimbabwe, will host a seminar on 'How to Export to Sweden' at the Holiday Inn in Bulawayo where participants from the clothing, textiles as well as leather sector are expected to attend.

Sweden's commitment to Zimbabwe was also reflected in its development cooperation with Zimbabwe. Each year Sweden provides \$20-25 million in development assistance to the country via the United Nations (UN) and civil society.

Source: yarnsandfibers.com– Feb 16, 2017

[HOME](#)

NATIONAL NEWS

Export figure promising; sector on path of revival

Continuous positive growth since the last five months in the current fiscal provides good hope that the export sector was in the path of revival, Regional Chairman, Federation of India Exporters Organisation (FIEO) Southern Region, A Shaktivel said here today.

Reacting to the export performance for January, he said the positive growth, coming after two years of consecutive negative growth, was the result of various steps taken by the Government, including special packages for textile and leather sector, interest equalization scheme announced for five years.

After lowest growth during 2016, world trade expected to be better in 2017 and 2018, especially the markets of emerging economies.

However, globally prices of all products were coming down and there was a big challenge for Indian manufacturing products for continuing competitive especially labour oriented products like textiles and garments, Leather, Engineering, he said in a release here.

Shaktivel requested the Commerce Ministry to consider the present market situation and extend better facilities to exporters while doing the Midterm review of Foreign Trade Policy.

On uncertainty surrounding U.S. Trade policies, he said India can compete in labour intensive sectors like textiles and garments, leather products, engineering, pharma and handicrafts in that market as the country has advantages of availability of raw material and efficient and skilled labour.

There was an urgent need for product diversification for aiming higher export growth, he said and cited the example of the textile sector, where emerging demand in the world was for the technical textiles sector.

However India has only a few exporters in this field and FIEO was in talks with various agencies to set up technical textile clusters in Tamil Nadu, where common facilities including R and D facilities can be provided to start ups, Sakhivel added.

Source: business-standard.com- Feb 16, 2017

[HOME](#)

2016 Indian cotton imports and exports analysis

In 2016, Indian cotton exports totaled 880kt, and the monthly largest export volumes appeared in Dec, with a quantity of 267kt. By end Dec, the exports of Indian cotton reached 42% of total expected exports in 2016/17 season, while the arrivals of new cotton only reached 26.0% of total expected arrival of this season, triggering the supply crunch for late market.

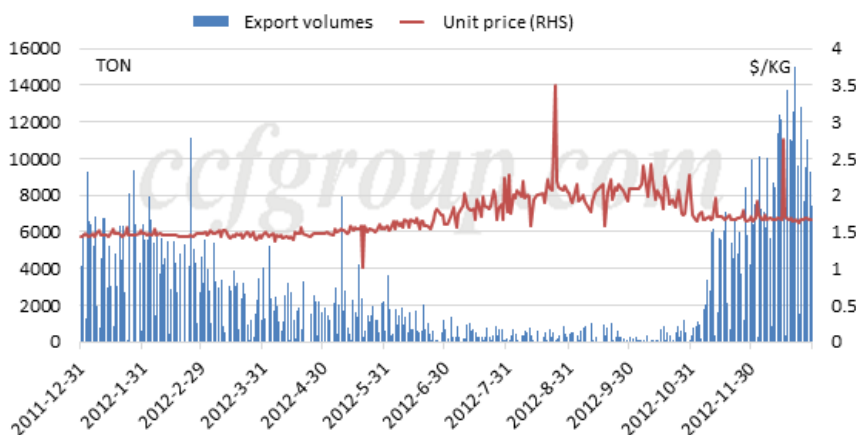
I. Indian cotton exports analysis

1. Export volumes and unit price in 2016

In 2016, Indian cotton export volumes amounted to 880kt and unit prices were averaged at \$1.60/kg. Exports continued to move lower month by month from Jan and till Nov, the volumes welcomed the peak with the intensive arrivals of new cotton. In Dec, the volumes reached the highest in 2016, to approach 267kt, taking a share of 30.3% in total exports of 2016.

In the first half year of 2016, monthly unit prices of Indian cotton stayed flat at \$1.5/kg and started to climb up in July, kept steady at \$2.0/kg during Aug-Oct. After the intensive arrivals of new cotton, unit prices edged lower to around \$1.68/kg.

Indian cotton exports and unit prices in 2016



2. Export destinations



Source: CCFGroup

The top three export markets for Indian cotton were Bangladesh, China and Vietnam in 2016. Exports to Bangladesh totaled 348kt, a share of 39.5%, that to China were 158kt, a share of 17.9% and that to Vietnam were 117kt, 13.3%. The export volumes to other countries took a less proportion

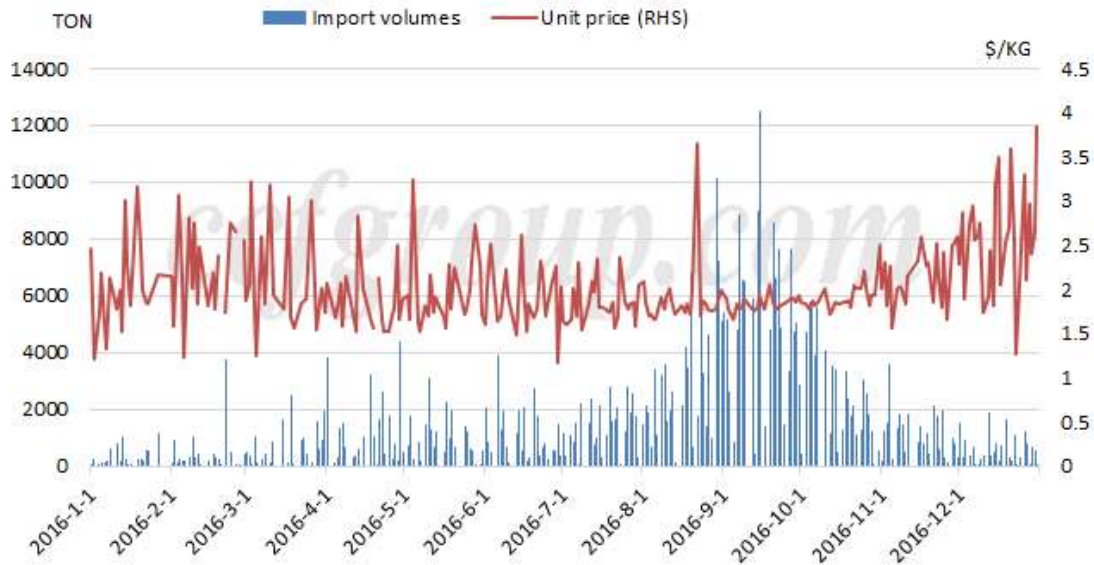
During the first five months of 2016/17 season (from Aug-Dec), Indian cotton exports amounted to 403kt and Bangladesh, China and Vietnam remained the top three markets. Exports to Bangladesh approached 146kt, taking a ratio of 36.2%, that to China was 120kt, 29.8% and that to Vietnam scored at 60kt, 14.8%.

II. Indian cotton imports analysis

1. Import volumes and unit price in 2016

In 2016, Indian cotton import volumes totaled 457kt, and unit price was averaged at \$1.89/kg. The imports decreased gradually from Jan and reached the peak in Aug-Oct. The monthly largest import volumes appeared in Sep, with a volume of 128kt, taking a share of 28% in total imports of 2016.

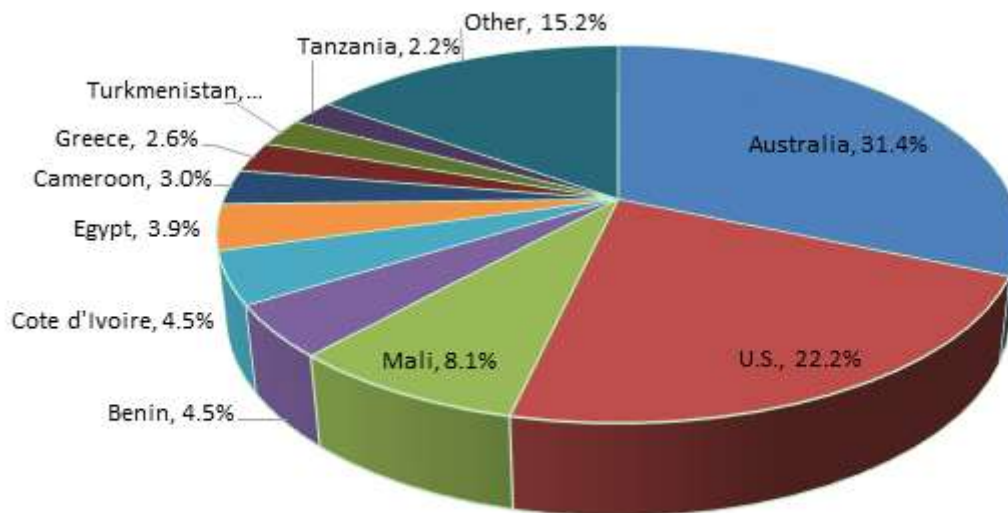
Indian cotton imports and unit prices in 2016



The unit price fluctuated at around \$1.90/kg in 2016, while it rose in Nov and Dec, to around \$2.38/kg.

3. Import origins

Indian cotton import origins in 2016



Source: CCFGroup

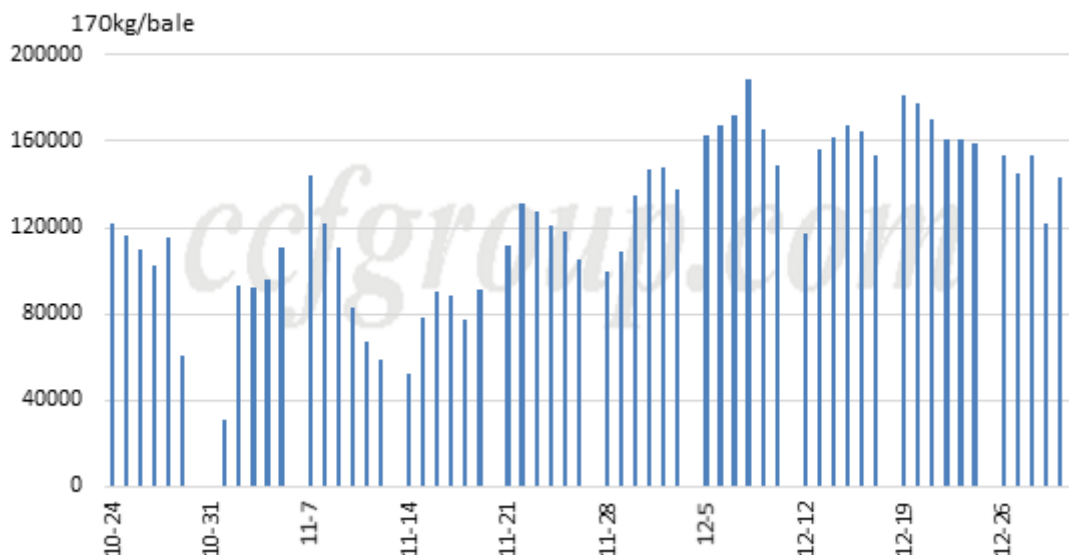
The top three import origins were Australia, U.S. and Mali. Imports from Australia reached 143kt in 2016, with a proportion of 31.4%, that from U.S. were 102kt, 22.2% and that from Mali totaled 37kt, 8.1%.

During the first five months of 2016/17 season (from Aug-Dec), Indian cotton imports amounted to 295kt and Australia, U.S. and Mali remained the top three markets. Imports from Australia approached 127kt, taking a ratio of 43.1%, that from U.S. was 58kt, 29.8% and that from Mali scored at 17kt, 5.7%.

III. Indian cotton arrivals and import/export in 2016/17

2016/17 Indian cotton started to arrive on the market in Oct and witnessed intensive quantity in Nov. By the last week of Dec, the daily arrivals reached 138,958 bales, about 23,622 tons and the cumulative arrivals by end Dec totaled 8,987,400 bales (about 1.528 million tons).

Indian cotton arrivals from Oct-Dec, 2016

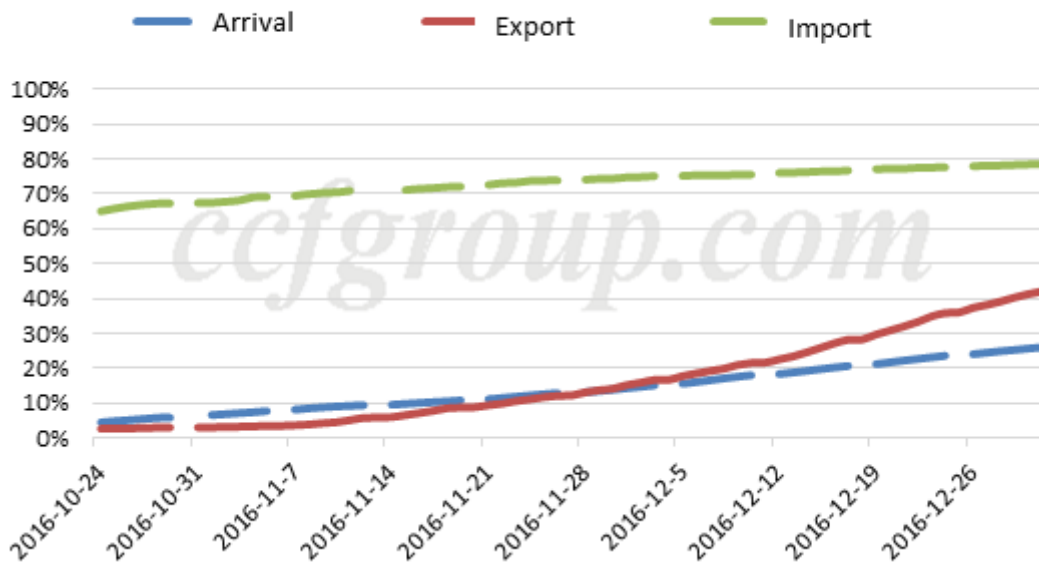


According to USDA's February supply and demand forecast, 2016/17 Indian cotton output is projected at 5.88 million tons, so by end Dec, the arrivals of new cotton reached 26.0% of the total expected arrival of this season.

According to USDA's Feb supply and demand forecast report, Indian cotton exports are estimated at 958kt in 2016/17 season and imports are likely to be at 391.9kt. In Oct, the imports have reached 65% of the total expected imports and by Dec, it reached 78%. For exports, it reached 42% by end Dec, while the arrivals only scored at 26%, lower than that of exports.

Due to government's ban on currency on Nov 8, 2016, domestic trade was affected adversely. Picking work in India started in Oct, slowing down the arrival progress.

Indian new cotton arrival, import/export progress



IV. Indian spot cotton price

During Jan-Apr, 2016, Indian spot cotton rate for S-6 stayed flat at Rs. 38,800 per Candy, rose from Jun, highly to Rs. 48,500 per Candy. In Oct, it fell down to Rs. 39,000 per Candy. The upswing in Jun was mainly because of the tight supply affected by the output reduction in 2015/16 season.

Indian spot cotton rate for S-6 in 2016



Moreover, exports to Pakistan were significant as Pakistani cotton output reduced much in 2015/16 due to flood. In Oct, with the arrivals of new cotton, market mindset calmed down and cotton prices dipped. Later, with the currency ban and the cotton procurement announced by Cotton Corporation of India, growers were unwilling to sell seed cotton, dragging down the arrivals. On Feb 14, Indian spot cotton rate for S-6 has risen to Rs. 42,800 per Candy.

Viewed from current Indian cotton supply and demand, arrivals of new cotton are still slow compared to previous seasons, and supply is expected to remain tight due to large exports in previous period and cotton procurement by CCI. The high Indian cotton price may prevent the exports, but it is hard to improve in short run. Therefore, Indian cotton prices are likely to keep high later.

Source: ccfgroup.com- Feb 16, 2017

[HOME](#)

Indian bed linen firm installs three Monforts units

Karnataka-based Himatsingka Linens, a division of Himatsingka Seide Ltd and a leading producer of bed linen products, is installing three new Monforts units as part of an expansion that will double bed linen output and see a venture into terry towelling. Monforts is a global leader among the manufacturers and exporters of textile machines based in Germany.

The latest Monforts include a10 chamber Montex 6500 stenter, a Monfortex 8000, and a Thermex CDR with E-Control; all three units feature a fabric working width of 3200 millimetres. The three new machines are all German-built and are being installed by Monforts' representative for India, ATE Enterprises Private Ltd.

The group is doubling its existing sheeting capacity from 23 million metres per annum to 46 million metres.

The company will also be installing for the first time 211,000 spindles as part of its backward integration into spinning, and the entry into the terry towels sector will see it setting up a capacity for 25,000 tons per annum.

At the bed linen mill, the new units will join two eight chamber Montex 6500 units - one of the units featuring a Montex Thermex condensation unit with two curing chambers being positioned on top of the stenter. There is also a Monfortex 7000 model Sanforiser and a Montex Thermex CDR E-Control dyeing range, both with 3200 mm fabric working width.

Expansion of sheeting capacity will enable the company to make printed products, which will enhance its fashion bedding shares in the market, and also help Himatsingka to enter into the basic bedding segments.

Himatsingka's portfolio of brands includes Calvin Klein Home, Barbara Barry, Bellora, Kelly Wearstler, Beekman 1802, Pimacott, Atmosphere, and Esprit.

The company operates manufacturing facilities in India, and retail and distribution businesses across North America, Europe and Asia. Its bed linen unit is located at Hassan, in Karnataka, and its drapery and upholstery unit is at Bengaluru, also in Karnataka.

Source: fibre2fashion.com - Feb 16, 2017

[HOME](#)

Exporters propose 10 textile units in Warangal

Assurance given to KTR during his visit there The Tiruvuru Exporters Association (TEA) has agreed to set up 10 units in the proposed mega Textile Park in Warangal.

The assurance was given to Minister K. T. Rama Rao during his visit to Tiruvuru and Palladam Textile Parks in Tamil Nadu on Thursday after he explained the handloom policies of Telangana and the Mega Textile Park in Warangal. The Minister appreciated the initiatives and planning of TEA and invited their representatives to visit the Warangal Textile Park and assured them that Telangana government would allocate a separate block for TEA officials in the Textile Park. He spoke to TEA employees and enquired about the facilities extended to them. The Minister gathered more information about the measures taken for developing the textile industry.

Source: thehindu.com- Feb 17, 2017

[HOME](#)

Indian companies to display textiles in Dubai fair

In a bid to form strategic alliance with textile importers in the UAE, Indian companies will exhibit their textiles at an exhibition of incredible Indian textiles that will be held in Dubai on February 19-20. About 19 Indian manufacturing and exporting firms representing categories like yarn, fabrics and made-ups will participate in the fair.

The exhibition is jointly being organised by the Synthetic & Rayon Textiles Export Promotion Council (SRTEPC), an Indian body representing manufacturers and exporters of textiles made of man-made fibres (MMF), and the Embassy of India in Abu Dhabi and Consulate General of India in Dubai.

Participating companies are expected to showcase a wide range of products including apparel, shirtings, suitings, materials, furnishings, made-ups, home textiles and more. The exhibition is being organised to promote Indian textiles and encourage importers from UAE to source textiles from India, according to media reports.

The exhibition also aims to strengthen trade relations between India and the UAE, especially for man-made textiles.

In 2015-16, India exported synthetic and rayon textiles worth \$5,790 million to more than 150 countries. The UAE is a leading market for India's MMF textiles as it imported 12 per cent of the total MMF exports. Middle Eastern countries are a leading destination for India's MMF textiles exports, amounting to 29 per cent of the total share (\$1,709.65 million). (KD)

Source: fibre2fashion.com- Feb 17, 2017

[HOME](#)

Textiles Department Working on branding of handicrafts items

It will also generate better quality assurance and certification and selling of handicrafts products in the International markets, Rashmi Verma, Secretary (Textiles), Ministry of Textiles said today at the inaugural session of the 5-day handicraft and gift fair 'IHGF- Delhi Fair Spring 2017' at India Expo Centre & Mart, Greater Noida.

The Department of Textiles is working on branding of handicraft items which will be introduced to the market very soon, a top Textile Ministry official said today.

The branding exercise is very similar to that of handloom items which has been launched recently. It will also generate better quality assurance and certification and selling of handicrafts products in the International markets, Rashmi Verma, Secretary (Textiles), Ministry of Textiles said today at the inaugural session of the 5-day handicraft and gift fair 'IHGF-Delhi Fair Spring 2017' at India Expo Centre & Mart, Greater Noida.

Artisans and manufacturers of Indian handicrafts at craft clusters are to be guided for creating new products to be competitive and EPCH is already playing key role in providing platform and hand holding at IHGF-Delhi Fair to products being made by artisans, craftpersons and upcoming entrepreneurs from different craft clusters to interact directly with the International buyers."

Through this direct buyer-seller meet Indian handicrafts can grow further not only in terms of exports but can further enhance the image of brand India in the market of home, fashion, lifestyles and textiles across the world," she said.

She expressed satisfaction that VRIKSH certificate for wooden items has been accepted worldwide.

Rakesh Kumar, ED EPCH said buyers from renowned International buying companies having large number of stores such as New Edition Home BV Netherlands, TOK & Stok, Brazil, E&L, Australia, ROOST, USA, Accent Decor Inc, USA, Two s Company Inc., USA, MOE s Home, Canada, Kangaroo Gmbh, Germany, Kopyko, Venezuela are visiting this edition of the show.

Apart from overseas buyers, domestic volume retail buyers from many leading retail chains of India and e-commerce companies have become regular visitors to the fair and home, lifestyles, fashion and textile products have attained sizeable place in every Indian chain stores such as Good Earth, Furniture Republic, Fab India, West Side, Archies, DLF brands ltd, @home, Shoppers Stop, Lifestyles group, Urban Ladder, Pepperfry. Ajio, FabFurnish and Shopclues.

Source: dnaindia.com- Feb 16, 2017

[HOME](#)

Manufacturers & ministers bet big on Jharkhand

Ranchi, Feb. 16: Union ministers and leaders of corporate India pledged to take forward Jharkhand's growth story on the first day of a global investors' summit in Ranchi today.

The list of business honchos who attended the meet included Ratan Tata, Kumar Mangalam Birla, Shashi Ruia, Naveen Jindal and Anil Agarwal. Union ministers and diplomats from five countries were also present.

Ratan Tata, interim chairman of Tata Sons, set the tone of the meet when he said the time was ripe to invest in Jharkhand. Others industrialists, too, announced big-ticket investments in the mineral-rich state.

Union finance minister Arun Jaitley today said Jharkhand has a stable government and tourism and education could be the areas for new investments in the state.

Union ministers Nitin Gadkari, Smriti Irani, Piyush Goyal and Venkaiah Naidu promised to support sectors such as transport, textiles, mines and urban development in Jharkhand.

Adani group managing director Rajesh Adani called Jharkhand strategic to his group's plans.

"We aim to set up a 500MW green energy (solar power) project worth about Rs 3,000 crore. In the next few years, we intend to invest Rs 20,000 crore in Jharkhand," he said.

Kumar Mangalam Birla, chairman of Aditya Birla Group, said so far his group had invested Rs 5,000 crore in the state, creating 20,000 jobs directly and indirectly.

"We are planning our first cement plant in Bokaro. Once we begin production at the Kathautia coal mine in Palamau, the state will receive Rs 550 crore in royalty. We are interested in all future auction of Jharkhand mines," he said.

Naveen Jindal, chairman of Jindal Steel and Power, said his company had already invested Rs 3,000 crore in the state and in the next few years another Rs 20,000 crore would be pumped in.

Remembering his childhood in Bihar-Jharkhand, Anil Agarwal, founder-chairman of the Vedanta group, compared his summit visit to "*ghar wapsi*" and assured chief minister Raghubar Das of an investment of Rs 5,000 crore and support for its start-ups and MSMEs.

Essar's Shashi Ruia announced a 2,000-seater BPO in Ranchi on the lines of the one in Jamshedpur.

Among diplomats, Indian-origin Australian high commissioner Harinder Sidhu said she had teamed up with IIT (ISM) in Dhanbad two years ago to share research on mine safety and designing equipment technologies. "We will invest Rs 2 crore in (IIT) ISM for a wide range of activities," she said.

Referring to chief minister Das's concerns on the slow pace of revamp of the Ranchi-Jamshedpur NH-33, Union transport minister Nitin Gadkari promised that NHAI would chip in with funds.

Dubbing Jharkhand the tussar silk capital of India, Union textiles minister Smriti Irani said: "The subsidies, incentives and concessions under various categories show the keenness of the chief minister to attract investment in this sector which is the soul of Jharkhand.

"The Prime Minister has announced a special package of Rs 6,000 crore for textile and apparel sectors. Jharkhand weavers can benefit from this."

Union coal and power minister Piyush Goyal said within a few months, 30 new mines from the state across different mineral segments would be open for auction.

For Ranchi, set to become a smart city, Union urban development minister Venkaiah Naidu promised speedy approvals and invited private investors.

Source: dnaindia.com- Feb 16, 2017

[HOME](#)
