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

IBTEX No. 250 of 2016 Dec 13, 2016

USD 67.48 | EUR 71.78 | GBP 85.83 | JPY 0.59

Cotton Market Update

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

Rs./Bale	Rs./Candy	USD Cent/lb
18406	38500	**72.80**

Domestic Futures Price (Ex. Gin), December

Rs./Bale	Rs./Candy	USD Cent/lb
19060	39869	**75.38**

International Futures Price

NY ICE USD Cents/lb (March 2017)	71. 90
ZCE Yuan/MT (January 2017)	15,610
ZCE Cotton: USD Cents/lb	**87.34**
Cotlook A Index – Physical	**79.45**

Cotton & currency guide: Cotton traded lower in the last week in Indian market. The spot price ended the week below Rs. 39500 per candy and its impact was clearly visible on the futures contract. The most active December future ended the week at Rs. 18820 down by Rs. 210 from the previous week's close. We had the half trading session in India this Monday due to local holiday. However, the ICE cotton ended the last week lower and Monday settled the March ICE contract at 71.69 cents per pound and this morning the same is seen trading lower at 71.66 cents. In the meanwhile ZCE cotton is seen trading marginally positive at 15765 Yuan/MT. Overall cotton is seen trading sideways while overall scenario is negative amid higher supply.

In the last week USDA report was released in which the December ending stock for cotton stood at 4.8 million bales slightly higher than the last month figure of 4.5 in the US. In the meanwhile, global cotton ending stock for the month of December advanced to 89.20 vis-à-vis 88.30 million bales indicating supplies for the month is higher having a negative impact on the price. Further from India the world's largest producer has shown higher ending stocks of 11.80 million bales against 11.50 million bales. Overall ending stocks globally are projected to be higher.

Coming to production scenario cotton is expected to increase in India as well as in the entire world at 27.0 and 104.2 million bales respectively. Looking at the global and largest producers' scenario the supply scenario is huge for the month of December indicating cotton price to remain subdued to lower in the near term. Overall cotton is expected to trade sideways to lower. At the domestic front the December future is likely to move in the range of Rs. 18650 to Rs. 18940 per bale. The ICE March is likely to move in the range of 71 to 72.20 cents/lb

NEWS CLIPPINGS

INTERNATIONAL NEWS

Cotton route to counter Chinas Silk route

The cotton route could be the policy formulation in the area of cotton farming, development of cotton seeds, coordination of marketing of cotton and development of upstream and downstream industries surrounding cotton 13 December, 2016

Uncertainty in USs approach following President-Elect Donald Trumps announcement to walk out from the Trans-Pacific Partnership (TPP) agreement is forcing India to reassess its dependence on the new US Administration.

The Narendra Modi Government has taken lead to push countrys own Act East policy and also to reach out to Central Asian nations by hosting leaders of Indonesia, Vietnam, Tajikistan and Kyrgyzstan to fortify strategic ties.

President Obama had outlined a pivot of rebalancing Asia by entering into the TPP that would have given an anchoring role to India and Japan. On Monday, the President of Indonesia, Joko Widodo held bilateral a meeting with Modi. Earlier, the defence minister and president of the National Assembly of Vietnam also visited India.

Later this week, Tajikistan President, Emomali Rahmon is arriving in India to hold bilateral discussions. The plans are also afoot to host President of Kyrgyzstan. Post-Kargil and IC-814 hijacking, India had acquired Ayni airbase in Tajikistan. In 2007, he refurbished it at the cost of $70 million, but could not base fighters and helicopters there because of Russian pressure.

GV Srinivas, Joint Secretary (Eurasia), who heads the Central Asia desk at the Ministry of External Affairs believes a remarkable commonality between India and Central Asian Republics including Tajikistan is the production of cotton. Unfortunately there is little dialogue and coordination between India and Central Asian Republics as cotton producers, he said.

The officer suggested that there could be a cotton route connecting India with the region.

Experts say this could be an effective answer to Chinas Silk Route plans. The cotton route could be the policy formulation in the area of cotton farming, development of cotton seeds, coordination of marketing of cotton and development of upstream and downstream industries surrounding cotton, he added.

China has invested in building the Silk Road Economic Belt, also known as One Belt, One Road (OBOR) that focuses on connectivity and cooperation with Eurasian countries. The China-Pakistan Economic Corridor is part of this initiative. The strategy underlines Chinas push to take a bigger role in global affairs, and vying for a strategic space in Indian Ocean region.

After the bilateral talks with the Indonesian President on Monday, Modi described the country as the most valued partner in his Act East Policy. The issue of South China Sea figured prominently in the talks, and in a veiled message to Beijing, both sides asserted that the dispute must be resolved.We agreed to prioritise defence and security cooperation. As two important maritime nations that are also neighbours, we agreed to cooperate to ensure the safety and security of the sea lanes, in disaster response and environmental protection, he said.

Source: cottonyarnmarket.net– Dec 13, 2016

HOME

****

Aussie cotton farmers hail Au $10mn support package

Aussie cotton farmers have hailed the Queensland Government's decision to offer an Au $10 million regional business support package. The funding is designed to allow energy users to better understand their energy usage and billing, which would allow users to adjust in order to minimise costs and also includes funding for meters and impact trials.

The initiative will help better understand the impact of bills under different tariff options and promotion of energy audit services to cotton farmers.

Cotton Australia, the apex body for the Aussie cotton industry, however argued that the Queensland Government could do more to guarantee lower energy costs for farmers.

"The issue of electricity pricing is critical to cotton growers in Queensland, who have faced continuous price increases over a considerable length of time," Cotton Australia general manager, Michael Murray said.

Source: fibre2fashion.com– Dec 12, 2016

HOME

****

RMG accessories testing lab comes up in Bangladesh

In a bid to improve the quality of garment accessories manufactured in the country, Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA) has launched a testing laboratory. This will help in attracting global buyers, said Md Mosharraf Hossain Bhuiyan, senior secretary of Bangladesh ministry of industries.

Bangladesh is the second largest exporter of RMG. The testing lab will help manufacturers improve the product quality and meet the demand of global consumers, said Bhuiyan during the inauguration of the lab in Tongi industrial area.

Financial assistance from EU will help in production of top quality accessory items, which will improve selling across the world, he said, according to a Bangladesh leading daily.

Funded by EU in association with Bangladesh ministry of industries, the testing lab has been set up under the Integrated Support to Poverty and Inequality Reduction through Enterprise Development (INSPIRED) project.

INSPIRED programme aims to reduce poverty by supporting the development of Small and Medium Sized Enterprises (SMEs) in the country.

The project also promotes enhanced competitiveness and sustainable pro-poor growth of SMEs in selected sub-sectors of the economy.

The garment accessories and packaging industry contributed $6.12 billion to apparel exports in the last fiscal, recording a growth of 9.28 per cent compared to $5.6 billion in the previous year.

The accessories used in readymade garments are produced by about 1,400 manufacturers in Bangladesh, who collectively employ around 3 lakh people.

Source: fibre2fashion.com– Dec 12, 2016

HOME

****

US ports retail container imports to be up 3.2% in Dec: NRF

As stores bring in the last of the merchandise for the holiday season, a National Retail Federation (NRF) report informs that imports at major US major retail container ports, are projected to increase 3.2 per cent in December 2016 over the same month last year. NRF is forecasting $655.8 billion in holiday sales, a 3.6 per cent rise over last year.

The Global Port Tracker report of NRF says that major ports handled 1.67 million twenty-foot equivalent units (TEU) in October, which is also up 7.4 per cent, compared to October 2015.

For November, the report has estimated that ports will handle 1.53 million TEU, rising by 3.6 per cent over November of the previous year, and 1.48 million TEU in December, up 3.2 per cent over a year ago month.

“Cargo volume does not correlate directly to sales because only the number of containers is counted, not the value of the cargo inside, but serves as a barometer of retailers' expectations,” NRF said.

Source: fibre2fashion.com – Dec 12, 2016

HOME

****

Fiji textile council gets $100k to boost manufacturing

Textile Clothing and Footwear (TCF) Council of Fiji has received a grant of $100,000 from the ministry of industry, trade and tourism to develop the manufacturing sector.

The aid will help TCF sector to establish more industries especially in the western division to explore new markets, said Shaheen Ali, industry, trade and tourism permanent secretary.

The initiative by the government will help establish service and manufacturing zones that will attract investors, said Ali during the $100,000 grant handover ceremony at the ministry. The trading can improve as the manufacturing zone is also closer to Nadi international airport and international port.

TCF industry is one of the major contributing factors to Fiji's gross domestic product. Australia and New Zealand are main export markets for Fiji's TCF industry. The financial assistance will allow TCF Council to promote business in North America, Europe, Pacific Island countries and Asia, Fijian media reports said.

"The readymade infrastructure in Nadi will have manufacturing companies including IT and business process outsourcing operations that will also increase the scope of employment for young graduates," said Ali. "The same concept is being followed in China, India and Singapore. It will take us some time, planning and investment to implement it."

The grant has allowed the industry stakeholders to come under one umbrella, said TCF president Kaushik Kumar.

The TCF industry has received a grant of $850,000 in the last eight years from the government under the National Exports Strategy grants, said Ali. Nearly 7,000 people are employed with the TCF industry with nearly 90 per cent of them being women.

Source: fibre2fashion.com– Dec 12, 2016

HOME

****

U.S. Elections Cause Trepidation Throughout Apparel- and Textile-Producing Regions

To say the least, 2016 has been an eventful year characterized by unexpected developments, including Brexit and its wide-ranging ramifications and a few months later, the election of Donald Trump as the next president of the United states. Both have left textile and apparel industry pundits wondering what the year 2017 will hold for them.

While Brexit shocked global suppliers to the European Union (EU) who have yet to figure out how it will impact their exports to the EU and the United Kingdom, an even bigger question comes with respect to access to the U.S. market, the world's biggest destination for textile and garment exports in value terms.

These suppliers wonder if, given his campaign rhetoric, Trump will create a protectionist environment in the United States and unleash a trade war with catastrophic consequences for suppliers and buyers, heralding in a rise in inflation and a loss of jobs that will result when consumers buy less than they did before due to rising prices. Here's the irony: protectionism, brought in to shield local jobs, will achieve exactly the opposite and become a job-killer in its own right.

Some global suppliers are full of trepidation, fearing their exports could face hurdles in the U.S. market. Following is a brief review of the general outlook from some of the world's leading textile/apparel supplying nations:

Bangladesh:

The Bangladesh apparel industry — whose apparel exports account for some 80 percent of the country's overall exports — is, generally, optimistic despite the new administration's pledge to bring manufacturing jobs back to the United States.

However, some Bangladeshi experts privately say that the United States would not be able to sustain labor-intensive textile/garment manufacturing because skilled workers are not abundantly available and even if they were, their wages would be extremely high, making it unprofitable for U.S. manufacturers to produce textile and clothing in the country.

Meanwhile, Bangladesh's garment industry hopes to become, in a decade, the world's leading exporter of low-end apparel. Farooq Sobhan, the president of Bangladesh Enterprise Institute, recently told the media that Chinese suppliers are shifting garment and textile production to Bangladesh, establishing factories in a special economic zone being given by the Bangladesh government to China, which will have an interest in supporting Bangladesh in this goal. He reportedly told a local daily during a roundtable discussion on Bangladesh/China economic relations that he saw "that happening within the next 10 years, if not sooner, if we can play our cards correctly."

Pakistan:

Many Pakistani textile and garment exporters fear that the political changes in the United States could hit their exports. Trump's election campaign rhetoric on terminating U.S. trade agreements to protect American trade interests is seen by a section of Pakistan's textile and the garment industry as a move toward protectionism.

According to Pakistan's Statistics Bureau, Pakistan's textile and garment exports, after reaching a high of $13.46 billion in past years, have been steadily declining, falling to $12.47 billion in fiscal year 2016. The sector's disappointing performance, according to Pakistani experts, is a result of multiple factors including an overvalued currency, which blunted the competitive edge of Pakistani textile and apparel products.

In addition to threatening to rip up U.S. trade agreements, Trump said he would impose punitive tariffs on goods from various countries in order to create more jobs in the United States, but some Pakistani textile and apparel suppliers have been saying that by entering into long-term supply arrangements they had "nothing to fear for the time being."

Abid Latif, managing director of Lahore-based Lahore Business International, which sells a wide range of products, including cotton yarn, grey fabric towels and bedsheets, uses international trade shows as a means to move into major global markets. At the Texworld show in New York, Latif said he was keen to further penetrate the U.S. market. "The U.S. economy is doing well and we are hoping to regularly showcase our products at such shows," he said.

Turkey

Turkish suppliers are equally concerned that the new U.S. administration may take a hard line on textile and garment imports. But many hope Trump will take a "pragmatic and balanced" approach to trade, including imports of textiles and apparel.

The uncertainties in the U.S. market could not have come at a worse time for Turkish suppliers, who have faced some major upheavals, both within the country and in its neighborhood.

A series of bomb attacks and the aborted military coup followed by the suspension of civil liberties and a mass purge in the government, armed forces and the education sector, have created a frightening situation in the country, which many Western buyers are avoiding.

These factors contributed to Messe Frankfurt canceling its Texworld Istanbul textile show in October.

Before the domestic upheavals, Turkey's textile and garment industry had faced challenges as it had lost the traditional markets for its exports in the region such as Syria, Iraq, Yemen, which are all ravaged by civil war. Russia, another important market for Turkey, was hit by international sanctions that squeezed its financial power.

Turkish exhibitors at shows such as Heimtextil of Frankfurt and TexWorld of New York were seeking contacts with buyers from North America to diversify their markets. Isa Dal, chairman of the Denizlu-based Evteks, manufacturer of bedding and Turkish towels, was unperturbed by the situation in Turkey. "Many customers visited our booth at the TexWorld show. We have concluded deals here at the show and the customers do not have to come to Turkey," Dal said.

Oguz Tekstil, headquartered in Adana, was selling fabrics at TexWorld. Oyku Akyil, the company's sales manager, told Apparel that his company produced monthly some 3 million meters of fabrics. "We export some 40 percent of our production and sell the rest in Turkey," he explained, admitting that the loss of market was due largely to the uncertainties in the country.

Exports to the United States had become "more complicated," he said. "We send our fabrics first to China for processing, and then ship them as finished products to the USA," Akyil said.

Yasar Karabel, managing director of Aker Tekstil, Istanbul, which produces woolen yarn, said that the Turkish Government had set a total export target of $500 billion by 2023. "If the Russian buyers purchase more, that would certainly help us. North America is also an important market for us," Karabel said.

Osman Canik, the chairman of the Uludag Turkish Exporters' Association and vice president of his Bursa-based company Elvin Tekstil San Vetic A.S., pointed out that a total of 1.5 billion potential consumers could be found in Turkey's neighborhood. He hoped for an early ending of the civil war in Syria followed by an immediate phase of reconstruction of the country so that hotels, residential quarters and other infrastructure projects could be built generating demand for home and household textiles.

Turkey is considered to be Europe's biggest apparel producer, with many well-known brands such as Espirit, H & M, Hug Boss, S. Oliver, adidas, Nike and Zara sourcing their products from Turkey. Turkey's total textile and apparel exports in 2015 amounted to roughly $14 billion, of which home textiles accounted for $3 billion.

China

China, the world's largest textile and apparel supplier, is also evaluating the effects of the U.S. election result on its textile and apparel exports. China has, in any case, been shifting its production to other low-cost countries such as Vietnam, Laos, Bangladesh and even Africa, including Ethiopia and Kenya.

Zhang "George" Tao, the secretary general of the Sub-Council of the Textile Industry, China Council for Promotion of International Trade, highlighted the fact that during the past decade, the Chinese textile and apparel industry had been growing at double-digit rates. "Now we have a 6.5 percent growth in our exports. The biggest challenge facing us is the weak demand in Europe and flat demand in the USA.

The market is like a cake ... only, it is not getting bigger, as we face competition from Bangladesh, Vietnam and others," he recently said in an interview with Apparel in New York.

Tao said some 37.4 percent of total Chinese textile and apparel exports were destined for the U.S. market in fiscal year 2014/15. However, he predicted a further decline in textile exports this year. China's global textile and apparel exports in 2015 amounted to $284.2 billion whereas the first quarter of 2016 stood at $90 billion (a decline of 5 percent year over year).

Chinese companies pursue an "operate-from-within-the-market" strategy for the United States by setting up manufacturing operations in the United States itself. They have been looking at acquisitions of textile producing units; Georgia and North Carolina are expected to see Chinese investments, according to Tao, who spoke of "spiraling labor costs" in China. "Chinese labor costs are three times the wages paid in Vietnam and five times in Bangladesh," he said.

Africa – AGOA to be reviewed?

African textile and apparel suppliers, including foreign suppliers such as those from India, China and Turkey that produce in African countries such as Ethiopia and Kenya enjoy the privileges of duty-free exports to the United States under the latter's African Growth and Opportunity Act (AGOA), which has allowed countries such as Kenya and others to increase textile production and generate jobs. AGOA covers 38 sub-Saharan countries.

The AGOA, introduced during former President Bill Clinton's tenure, was allowed to continue with bipartisan acquiescence because it did not threaten the jobs of U.S. workers. Indeed, the U.S. Congress recently renewed AGOA for another 10 years with strong bipartisan support.

Nevertheless, Trump's campaign rhetoric against imports has raised concerns among Africans that AGOA could be reviewed and made more stringent.

Source: apparel.edgl.com – Dec 12, 2016

HOME

****

NATIONAL NEWS

Indian cotton exporters suffer despite lift of ban by Pakistan

Low arrivals restrict Indian exporters in booking new contracts from Pakistan 13 December, 2016

While Pakistan recently lifted ban on cotton imports from India, the Indian exporters are unable to capitalise on the move. Last year, of the initial three million bales (a bale of 170 kg) of export orders during October to December, 1.5 million bales were exported to Pakistan. However, right now with daily arrivals still under pressure, exporters are unable to take orders.

Pakistan had banned import from India in fourth week of November on quality issue but after industry urged the government, Pakistan has lifted ban a few days ago.

According to Indian cotton industry, Pakistan may import about 700,000-800,000 bales of cotton in 2016-17. Last year, India exported 2.5 million bales of cotton to Pakistan which was facing crop failure then.

Post demonetisation, till date, several mandis are not fully operational with arrivals dwindling due to cash crunch among farmers. Cotton arrivals are down by 25-30% as compared to last year, despite a slight improvement in early December.

Last year, December cotton arrivals stood at 200,000 bales, against 140,000-150,000 bales a day this year. In December, arrivals increased by about 30,000 bales after farmers began accepting payments made through cheque.

"While India is the best choice for Pakistan for cotton imports, Indian cotton exporters are unable to profit from it. Demand is there from Pakistan and other countries but Indian exporters are not in a position to fulfil the demand.

Moreover, as supply is tight, exporters are not in a condition to fulfil their commitments that they made for November and December. Due to this, exporters are not booking new contracts as they are not sure about supply," said Shirish Shah of Bhaidas Karsandas Company from Mumbai.

After note ban, cotton prices had gone up to Rs 40,000 per candy of 355 kg which is now ruling at Rs 38,800-39,200 per candy.

This year, India had booked cotton export contracts of about 2.2 million bales for October, November and December delivery but so far the country has exported about 500,000 bales only by end of November.

According to the exporters, in this scenario, India's total cotton exports may decline by 20-25% at the end of the year.

Chirag Pan, CEO of Jaydeep Cotton Fibres said, "India exports 70% of cotton during October and March every year. The industry expects six million bales of cotton exports in the current cotton year (October-September), but in this scenario, exports might not be over 4.5 million bales."

Moreover, despite some amount of export demand, cotton ginners are unable to process much as they are not getting raw cotton or kapas from farmers.

Subodh Goenka of J S Cotton Industry from Akola, Maharashtra said, "Generally at this time ginning activity should be in full swing but due to supply shortage and higher prices ginning activity has been quite low."

Kapas or raw cotton has been trading at Rs 990-1,060 per 20 kg in Gujarat, with prices going up by Rs 20 per 20 kg during December so far.

Source: cottonyarnmarket.net - Dec 13, 2016

HOME

****

Slow trading on cotton market as spinner kept away from trading ring

Big spinners reducing their buying activity by keeping away from the trading ring as the issue of import of Indian cotton remain unresolved. There is a strong perception among spinners that the current situation of conditional imports of cotton from India is against the interest of the industry. This kept trading activity slow at cotton market on Saturday.

It is being argued that by restricting free flow of cotton from India the government is damaging the local spinning industry on two accounts. Firstly, it deprives the industry from cheap raw material and, second, it encourages cheaper cotton yarn imports from India.

The cotton prices in India came down after Pakistan restricted imports and this directly benefited their spinning industry which is giving tough time to Pakistani spinners on exporting cheap cotton yarn in the world market, according to brokers.

Major deals on the ready counter seen to have changed hands as per dealers were: 2,000 bales from Mirpurkhas (at Rs4,800 to Rs5,500 per maund), 1,200 bales Shahdadpur (Rs5,500 to Rs5,565), 1,200 bales Rohri (Rs6,300 to Rs6,350), 1,600 bales Saleh Pat (Rs6,300 to Rs6,350), 800 bales Ghotki (Rs6,475), 800 bales Dharki (Rs6,457), 600 bales Mianwali (Rs6,000), 400 bales Chichawatni (Rs6,200), 500 bales Dahranwala (Rs6,300), 1,000 bales Rajanpur (Rs6,300), 800 bales Fort Abbas (Rs6,375 to Rs6,400), 800 bales Maroot (Rs6,400) and 800 bales Rahimyar Khan (Rs6,400).

The Karachi Cotton Association also cut its spot rates by Rs50, to Rs6,250 per maund (around 37 kilograms).

Source: cottonyarnmarket.net - Dec 13, 2016

HOME

****

Swedish retailer Ikea to introduce pop up stores in India

Swedish home furnishings and furniture retailer Ikea is starting Hej Homes, its pop up store format in those Indian cities, where it plans to open Ikea brand stores and has plans to start 50 outlets by 2025.

A typical Hej House store is of between 4,000-7,000 sq feet and also houses a café and is normally started in malls, which have high footfalls.

“The aim of these Hej Stores is to give a slice of the Ikea brand to our customers and we will be unveiling the first store in Hyderabad, where our first Ikea store is also planned to be started,” Ulf Smedberg, country marketing manager, Ikea India told a leading daily.

The Swedish retailer has already started construction of the Hyderabad Ikea store, while the second store is expected to come up in Navi Mumbai, with plans to start 25 Ikea stores in India by 2025, at an investment of around Rs 10,500 crore.

Smedberg also added that the retailer will be introducing catalogues as part of its branding strategies, and will also be launching Ikea stores in Mumbai, Delhi and Bengaluru in the first phase.

Source: fibre2fashion.com - Dec 13, 2016

HOME

****

Indian khadi sales to get ecommerce boost

The Khadi and Village Industries Commission (KVIC) which promotes the khadi fabric industry in India, is planning a big way foray into ecommerce sales, to enable it to reach its revenue target of Rs 5,000 crore by 2018.

For this, KVIC is in talks with several online fashion retailers, with the aim to derive 10 per cent of all sales through online retailing.

“Other than the ecommerce initiative, KVIC is also planning to open 'Khadi India Lounge’s', which will sell premium khadi products in major Indian cities,” Usha Suresh, KVIC's chief executive officer told a media agency.

KVIC is set to open Khadi India Lounges in metro cities across India like Delhi, Jaipur, Mumbai, etc, within the next few months and will open these lounges in other cities by the next fiscal.

In order to boost sales from the current Rs 1,500 crore to Rs 5,000 crore, the agency is also exploring taking the franchise route, under which it will start around four stores in each of the state capitals and two more in other districts.

Source: fibre2fashion.com - Dec 13, 2016

HOME

****

Indian jute sector jittery as China offers Bangladesh help

Bangladesh is on the cusp of a major breakthrough in the textile sector as China, in its pursuit of strengthening economic ties with south Asian countries, has made an offer of technology and finance to Dhaka for building a plant to make viscose fibre from jute. Viscose made from cellulose fibre found in trees by way of a complex chemical treatment is softer than cotton with good moisture-absorbing properties.

"If the plant materialises, then Bangladesh will not have to spend anything between 700 and 800 crore taka annually for import of viscose material. We understand that last year, the country imported 33,737 tonnes of viscose fibre — a good portion of which originated in India. Both Grasim Industries and its Thailand arm Thai Rayon are regular exporters of viscose staple fibre to Bangladesh, where it is spun into yarn in local spinning mills," says a jute industry official here.

The 150-year-old Indian industry is jittery about Bangladeshi factories revving up productivity with Chinese assistance. Bangladeshi mills have seen a flurry of activity in recent months, including a visit by an expert team from Bangladesh to some viscose plants in China for an exposure to "carbon/charcoal-based viscose manufacturing process".

A minutes of document (MOD) was recently signed by the Bangladesh Jute Mills Corporation (BJMC) and China's Textile Industrial Corporation for foreign economic and technical corporation to take the jute viscose project forward. While capacity and location of the viscose plant will be based on an expert report, BJMC has hinted that the proposed plant will need a minimum investment of 1,000 crore taka (about Rs 850 crore).

The project will be a boon for the country's jute economy since value addition to the raw material, when converted into viscose, will be substantially more than when either used in traditional jute mills or exported.

Bangladesh is not only the world's second largest producer of raw jute after India, but unlike the latter, it is left with considerable amount of surplus fibre after providing for conversion into jute goods by local integrated jute factories and spinning mills.

In a year marked by bountiful rains, Bangladesh will harvest a jute crop of eight million bales of 180 kg each, which will leave an exportable surplus of one million bales. Where the country scores over India is in the superior quality of its fibre helped principally by plentiful availability flowing water in rivers, streams and canals in jute-growing centres for fibre retting.

India is a regular importer of good quality jute from Bangladesh for the purpose of blending with coarser local fibre. The viability of the proposed viscose plant in Bangladesh will be underpinned by assured supply of good quality jute and a big domestic market for the final product, say observers here.

The official quoted earlier said: “India must not overlook the chapter of MOD where China makes the commitment for ‘balancing, modernisation, rehabilitation and expansion’ of the 24 jute mills belonging to the government-owned BJMC. The mills are 60-70 years old and they all need funds and technology inputs for modernisation. In the past one decade, the Corporation lost money every year except in 2010-11 when it managed to break even. Regular release of government funds for buying raw jute and paying wages to employees and mounting bank debts are keeping BJMC mills afloat.”

The Chinese rescue act for the ailing jute sector, which provides livelihood to nearly 25 million people in jute-related activities from growing of fibre to its processing in factories to handling and trading will earn Beijing much goodwill to India’s discomfort. Dhaka gives liberal subsidy to jute goods exports. If with China’s help, mills in Bangladesh are able to improve product quality and reduce mill conversion cost, then that would further impinge on India’s capacity to export jute goods.

Advantage Dhaka

If the viscose plant materialises, Bangladesh will not have to spend anything between 700 and 800 crore taka annually for import of viscose material

Last year, the country imported 33,737 tonnes of viscose fibre — a good portion of which originated in India

Mills in Bangladesh have seen a flurry of activity in recent months, including a visit by an expert team from Bangladesh to viscose plants in China

Source: business-standard.com- Dec 13 2016

HOME

****

Top 10 farm exports: Cotton no longer key in farm story

For the first time since 2005-06 when India became a major exporter of cotton following a large-scale adoption of Bt-seeds, the fibre has failed to be on the list of the country's top ten farm export items.

According to the latest official data, exports of raw cotton — including waste —stood at just $308 million in the first half of this fiscal, less than a half of the level seen a year before.

Cotton — which was the top farm export item in FY11 and FY12—has steadily lost ground and is now languishing at number 12 in the list of major commodities covering the farm and allied sector.

With domestic cotton prices mostly remaining above the global levels (by 5-10%) in recent months —thanks to an annual 11% drop in output in the last marketing year through September 2016 and a steady offtake by the domestic textile industry — cotton exports are unlikely to cross $700-800 million in the current fiscal, senior trade and industry executives told FE.

Cotton — which was the top farm export item in FY11 and FY12—has steadily lost ground and is now languishing at number 12 in the list of major commodities covering the farm and allied sector.

With domestic cotton prices mostly remaining above the global levels (by 5-10%) in recent months —thanks to an annual 11% drop in output in the last marketing year through September 2016 and a steady offtake by the domestic textile industry — cotton exports are unlikely to cross $700-800 million in the current fiscal, senior trade and industry executives told FE.

Exports are taking a hit due to demonetisation too, with adverse impact of the cash crunch on transportation and other activities.

With demand from top buyer China still subdued and Pakistan turning more protectionist against Indian cotton supplies, exports are unlikely to stage a sharp rebound this year, the sources said. This is despite the fact that India's cotton output is expected to rise to 35.1 million bales in 2016-17 marketing year, compared with 33.8 million bales in the previous year. One bale equals 170 kg.

Pakistan had put cotton supplies from India through the Wagah and Karachi port on hold from November 23 on grounds of non-compliance of phyto-sanitary conditions before lifting the curbs last week.

In a recent interview to FE, textiles secretary Rashmi Verma had said the government was stepping up focus on domestic value-addition in cotton, which would help create more jobs locally. So, instead of promoting exports of the raw material, the textile ministry's endeavour would rather be to facilitate greater outbound shipments of cotton-based finished products, Verma had said.

Until recently, China had been the biggest buyer of the Indian cotton, accounting for as high as 70% of the county's total outbound shipments of cotton. With China gradually shifting from labour-intensive industries like garments and textiles and also trimming its massive inventory, its need for Indian cotton is unlikely to recover anytime soon. This means Indian cotton exporters will now rely more on Bangladesh, which has been ramping up purchases in recent years to meet growing requirement of its garments industry.

According to a November report of the US-based International Cotton Advisory Committee (ICAC), year-ending stocks in China, where much of the excess supplies are held, decreased by 13% to 11.3 million tonnes in 2015-16, as the government there sold over two million tonnes from its official reserves from May through September 2016.

China restricted import quota to the volume required by its commitments to the World Trade Organization in 2015 and 2016, and announced that it will continue to do so in 2017. "In addition, the government is planning to begin sales from its reserves in March 2017 when the majority of the new crop will have been sold," the ICAC said.

By contrast, Bangladesh is among the only three of the top 10 consuming countries where cotton requirement is going to rise, according to the ICAC. The consumption by the textile mills in Bangladesh is forecast to increase 12% to 1.2 million tonnes in 2016-17.

India's farm exports, covering 43 major segments, stood almost flat at $15,192 million during the April-September period from a year earlier.

Source: financialexpress.com– Dec 12, 2016

HOME

****

Traders eager to get ePOS machines

Owners of many shops and establishments both in Srikakulam and Vizianagaram districts have been moving around banks to get ePOS (electronic point of sale) machines to improve their business in festival season.

Earlier, the banks used to promote use of the machines. But now shop owners are queuing up before banks for the facility. As they were left with no other option, they decided to get ePOS machines. Many banks don't collect deposit amount for providing the facility as they would get transaction fee.

A few small and medium range textile shops have already introduced cashless transaction facility to improve the business which has been badly affected for the last one month due to scrapping of ₹ 1,000 and ₹ 500 notes.

"Earlier, we used to worry about the transaction charges if payments were accepted through ePOS machines. But the government's assurance to waive those charges made us to use the machine in our shop," said B. Srinivasa Rao, a textile shop owner of Pusapati Rega, Vizianagaram district.

Around 24,000 machines were needed for all the shops and establishments in Srikakulam and Vizianagaram districts but the availability has not even crossed 6,000, according to sources.

Many owners are worried with the delay in supply of ePOS machines as the business would go to the shops which have them.

"The government should take steps on a war-footing to supply the machines. Otherwise, many textile shop owners who kept huge stocks will incur losses in Sankranti season," said J. Ramana, a textile shop owner of Balaji Market, Vizianagaram.

Srikakulam Wholesale and Retail Cloth Merchants Association president P. Srinivasa Rao said that the traders and customers were ready for cashless transactions but the technological support was needed.

He urged the government to permanently waive the transaction fee since the government would earn more income with the record of every business deal at all levels.

The Commercial Taxes Department has been monitoring the supply of ePOS machines on a day-to-day basis.

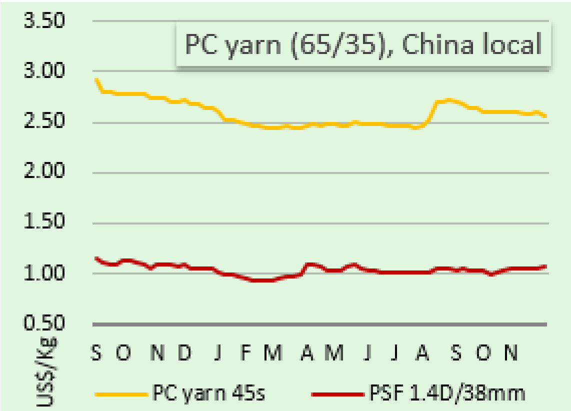
"We are requesting the banks to meet the demand since the government is insisting on cashless transactions at grass root level. We hope to get more ePOS machines in a couple of weeks," said Deputy Commissioner (Commercial taxes) N. Srinivasa Rao.

Source: thehindu.com– Dec 12, 2016

HOME

****

Blended yarn price declines in India, Pakistan



In Qianqing, PC (65/35) 32s yarn prices rolled over in the last week of November while 45s PC combed yarn prices were stable on the week, however, both were up US cent 1 due to strong Yuan.

Blended yarn pries in China were relatively unchanged although fibre prices rose resulting in drop in margins at spinning mills. Imported yarn prices have also risen in Yuan terms, after the renminbi declined in previous weeks.

In Pakistan, PC yarn prices declined depending on counts, due to a rise of available quantities and drop in sales in the past weeks.

VSF prices moderated while cotton was dearer in the week. 20s PC (52/48) carded yarn prices fell US cents 4 a kg on the Faisalabad market while 30s were also down US cents 4 a kg on the week. PV 30s yarn prices were during the week.

In India, demonetisation has almost suspended trading and transport pressurising prices to fall and expected to reduce economic growth.

30s (65/35) PV warp yarns prices inched down further INR1 a kg (down US cents 2) in Indore market while PC 30s (52/48) prices in Ludhiana were down INR1.80 a kg (down US cents 4).

Source: yarnsandfibers.com– Dec 12, 2016

HOME

****