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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. 33 of 2017 Feb 14, 2017

USD 66.94 | EUR 71.03 | GBP 83.92 | JPY 0.59

Cotton Market Update

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

Rs./Bale	Rs./Candy	USD Cent/lb
20294	42450	80.91

Domestic Futures Price (Ex. Gin), March

Rs./Bale	Rs./Candy	USD Cent/lb
20940	43802	83.49

International Futures Price

NY ICE USD Cents/lb (March 2017)	76.61
ZCE Cotton: Yuan/MT (May 2017)	16,355
ZCE Cotton: USD Cents/lb	**88.60**
Cotlook A Index – Physical	**85.65**

Cotton & currency guide:

Cotton spot price for S-6 variety in India surpassed Rs. 43,000 per candy ex-gin on Monday's trading session. With a steady to slight weaker Indian rupee against the USD pegged at 67 the equivalent Indian cotton price quoted at 82 cents per pound. Likewise, the J-34 variety cotton price in North India advanced to Rs. 4650 per maund. Arrivals continued to increase to above 185,000 bales while some private agencies suggest Monday's arrivals were around 195,000+bales including 45,000 from Gujarat and 75,000 from Maharashtra.

However, the futures contract traded a bit different. The most active February future ended the session at Rs. 20,780 per bale no major change from the previous close while corrected from Intraday high of Rs. 20,890

From the trading perspective the traded volume in February increased while the open interests continued to decline. However, the scenario was bit different for March future where in OI and volume increased indicating rolling over of positions.

From the global front the ICE March future traded positive to close the session at 76.61 cents per pound. The 75 mark has now been religiously a strong support zone and market is continuously holding the same levels.

We believe unless the counter holds above the mentioned support level cotton price may continue to remain upbeat. On the higher side from price perspective we expect cotton to trade in the range of 75.60 to 76.70 cents per pound on today's trading session

Overall we expect cotton price to remain sideways to positive trend. However, as discussed in our weekly report cotton for February future to move in the range of Rs. 20950 to Rs. 20600. Note, from the technical study perspective we see a triangle pattern forming in the daily chart with momentum indicators moving down.

This is an indication for divergent trend and that indicates the current surge in the price trend may not hold strong. However any clear break out above Rs. 20,950 might push the price higher to Rs. 21,200 levels. As of now we expect the given range is very strong and likely selling may come from higher levels.

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

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INTERNATIONAL NEWS

China: January cotton yarn imports may slip 9.33% m-o-m to 182.8kt

Traders' reflection

Around 43% of traders under survey reflected that arrivals of imported cotton yarn in Jan 2017 were higher than Dec 2016, around 4% of traders expected Jan arrivals to be flat with Dec, and around 53% of traders expressed that Jan arrivals were smaller than Dec.

2. Estimate of arrivals

2.1 Cost of mainstream products

Jan arrivals of Indian cotton yarn were mainly purchased in end-Nov or late-Dec 2016, with price for forward carded 32S for air-jet staying at $2.63-2.64/kg, equal to around 22,300-22,600yuan/mt after-tax, based on exchange rate at 6.92-6.96, around 400-700yuan/mt lower than spot goods in China, so purchasing volume was expected to be not low at that time.

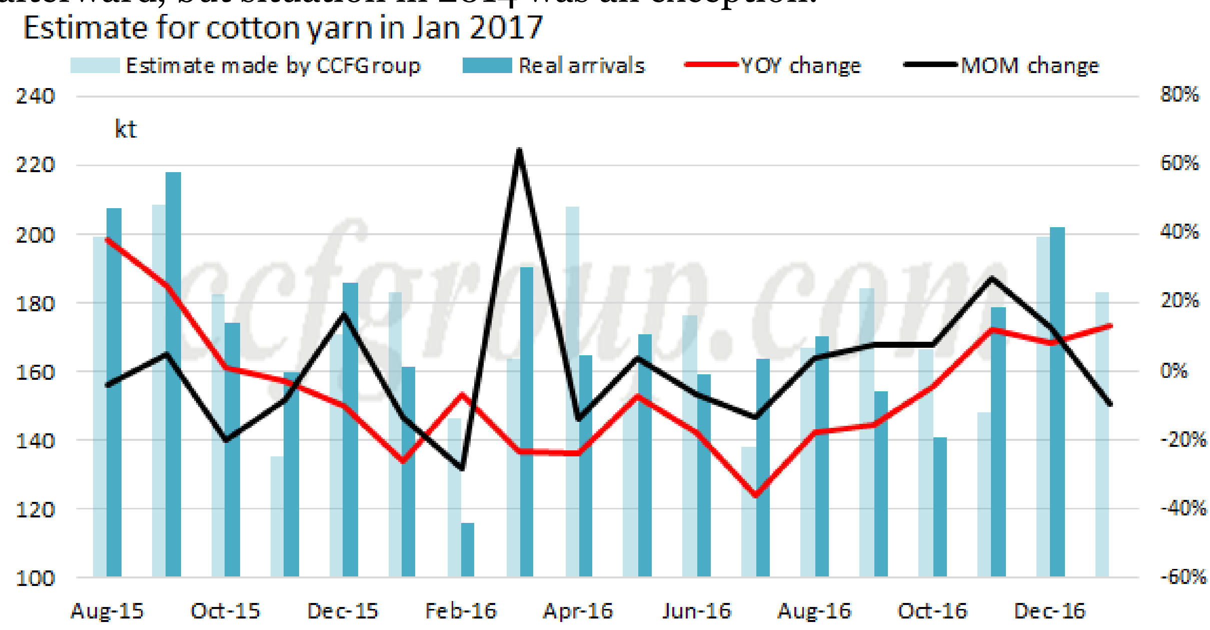
Jan-arrivals of Pakistani cotton yarn were mainly ordered in Oct-Nov, 2016, with forward grade-A siro-spun 10S reaching $2.26-2.30/kg, equal to around 19,000-19,600yuan/mt, based on exchange rate at 6.76-6.90, around 0-600yuan/mt higher than the spot goods in China, but transactions were not scarce according to inventory in Dec-Jan.

Jan arrivals of Vietnamese cotton yarn were mainly procured in Dec with forward price for carded 32S for rapier staying at $2.66-2.69/kg, equal to around 21,800-22,100yuan/mt after tax, based on exchange rate at 6.90-6.97, around 100-200yuan/mt lower than the spot price in China, so trading chased up slightly.

Therefore, purchasing volume of Indian, Pakistani and Vietnamese cotton yarn was not small in Jan, but the arrival and clearance may be delayed affected by Lunar Chinese New Year holiday. 2.2 Cotton yarn imports around Chinese New Year holiday

Cotton yarn imports around Spring Festival (Unit: kt)				
Year	Spring Festival	Cotton yarn imports		
		1-month forward	Current month of Spring Festival	1-month afterward
2012	23-Jan	101.14	71.66	123.52
2013	10-Feb	181.93	102.37	199.43
2014	31-Jan	172.79	180.91	153.35
2015	19-Feb	217.84	124.09	248.56
2016	8-Feb	161.49	115.95	190.53
2017	28-Jan	201.60	?	?

Cotton yarn imports were usually small during the month of Spring Festival holiday, slanting high during the month forward and higher in the month afterward, but situation in 2014 was an exception.



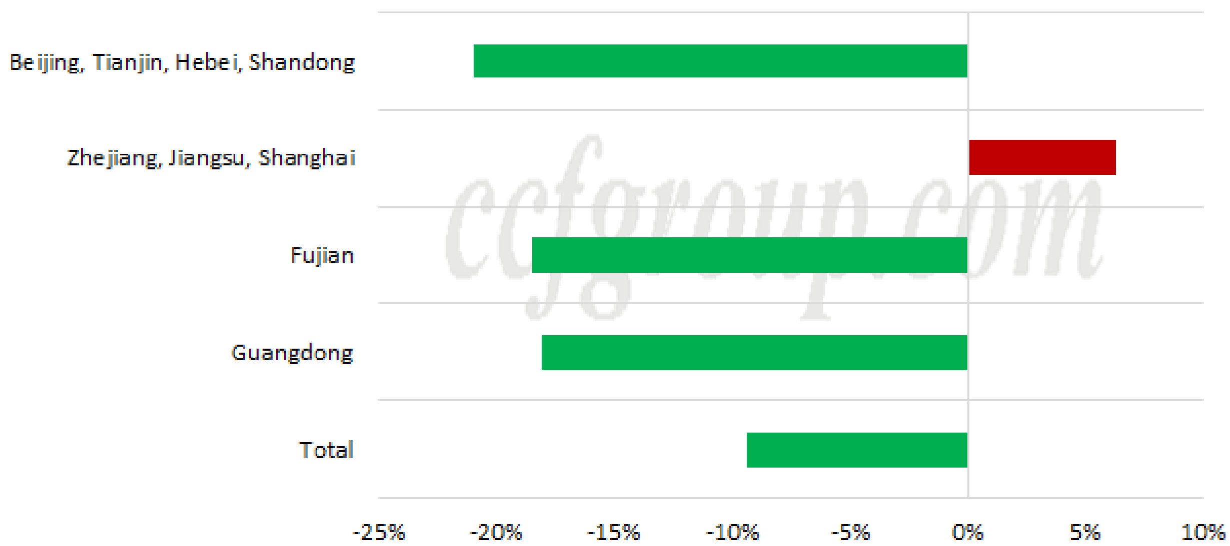
Spring Festival holiday in 2017 was at the end of Jan, and cotton yarn imports in Jan are likely to be smaller than that in Dec 2016 and Feb 2017, but the decrement may be not big. According to survey made by CCFGroup, many trading company refilled stocks but avoided cargos to reach China in Jan, and some tried to finish customs clearance before Spring Festival. Imports of cotton yarn from companies investing overseas in Jan shrank.

In summary, cotton yarn imports may decline by 9.33% on the month to around 182.8kt in Jan 2017, up by 13.19% y-o-y. Arrivals in Guangdong in Jan is expected to dip by around 18.07% compared with Dec as the cardinal number in Dec was big.

Spot supply of imported cotton yarn was ample in Jan in Guangdong, while downstream demand was dull, and price of imported low-count siro-spun cotton yarn was weak to stable.

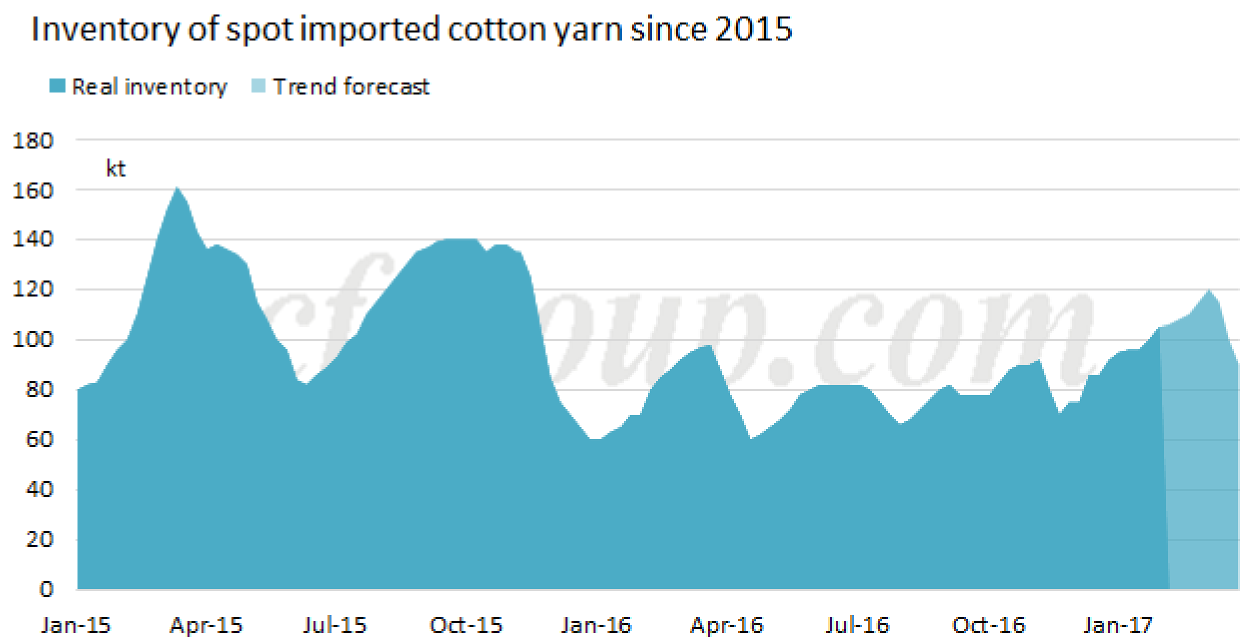
Spot Pakistani grade-A siro-spun 10S was mainly stayed at around 19,000-19,200yuan/mt. Spot stocks of imported cotton yarn may be high in Feb and price is hard to rise.

Regional change of cotton yarn imports in Jan 2017



Arrivals of imported cotton yarn are anticipated to slip by 18.46% on the month in Fujian. Stocks of imported cotton yarn were not ample in Fujian in Jan, and price was largely steady with sluggish demand. Transactions of imported cotton yarn are expected to recover in Feb in Fujian and price is supposed to edge up stably.

Arrivals in Zhejiang and Jiangsu in Jan are supposed to accumulate by 6.33% m-o-m. Spot supply of imported carded 32S for weaving was not ample in Jan but that of carded 21S for weaving was ample, and that of combed cotton yarn for knitting and imported low-count open-end cotton yarn was not high. Price of imported cotton yarn was largely steady in Jan but moved up in some regions. Stocks of imported cotton yarn are expected to be high in Feb, which may inhibit price from rising.



Arrivals of imported cotton yarn in North China in Jan may drop by 9.33% on the month.

Price of spot imported cotton yarn dipped in North China in Jan with mounting inventory, and price increment in Feb may be capped in anticipation of recovering trading but rising stocks.

Imports of cotton yarn may decline in Jan compared with Dec 2016, and stocks of imported cotton yarn have accumulated to around 108kt at major China ports with squeezing demand, which may keep increasing in Feb in anticipation of mounting arrivals.

According to arrivals assessment for cotton yarn, spot inventory of traders and downstream demand, inventory of imported cotton yarn may inch up in Feb, operating rate of downstream weavers is likely to recover, supply is expected to be ample, and price is likely to move down after increased.

Source: ccfgroup.com– Feb 13, 2017

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PwC: By 2050, These Key Sourcing Countries Will be Leading the Pack

PricewaterhouseCoopers is making predictions about the global economy 33 years out when most of us can hardly predict what the global economy will look like tomorrow.

Acknowledging the brave move to create a report surmising what 2050 will hold considering the uncertainty Brexit and Donald Trump have injected into the mix, PwC said emerging economies will come to dominate the 21st Century.

"By 2050 we project China will be the largest economy in the world by a significant margin, while India could have edged past the U.S. into second place and Indonesia have risen to fourth place," PwC chief economist John Hawksworth said in the recently released report. "We also think the world economy will more than double in size between now and 2050, far outstripping population growth."

That's, of course, barring any "sustained long-term retreat into protectionism" or "major global civilization-threatening catastrophes."

What will 2050's global economy look like?

For now, the world's top 10 economies, in order of size, are: China, the U.S., India, Japan, Germany, Russia, Brazil, Indonesia, the U.K. and France. Over the next 30 plus years, however, that top 10 could look more like:

China, India, the U.S., Indonesia, Brazil, Russia, Mexico, Japan, Germany and the U.K.

"By 2050, the E7 economies [China, India, Indonesia, Brazil, Russia, Mexico, Turkey] could have increased their share of world GDP from around 35 percent to almost 50 percent," the report noted. "China could be the largest economy in the world, accounting for around 20 percent of world GDP in 2050."

Sourcing in China has already gotten costly as labor rates rise, but India too could ultimately have brands and retailers turning elsewhere to manufacture more affordable product. Last year, U.S. GDP per capita was nearly nine times India's, but by 2050 that gap will shrink and U.S. GDP per capita will only be three times that of India.

Which countries will see the greatest growth?

The U.S. and Europe will steadily lose ground to China and India, and Vietnam, India and Bangladesh will be three of the world's fastest growing economies. Between now and 2050, PwC expects 5 percent average annual growth for Vietnam, India and Bangladesh.

"These countries will benefit from their youthful and fast growing working-age populations, boosting domestic demand and output," the report noted. But, PwC added, "Growth in these countries is driven even more by real GDP per capita growth, suggesting capital investment and technological progress will deliver real labor productivity-enhancing benefits."

To capitalize on that growth, however, these countries will need to keep things in order, continuing economic reform and educating their growing workforce to contribute to long-term growth.

What's to come of stagnating global trade growth?

In 2016, world trade grew at just 2 percent, its slowest since the financial crisis in 2008-2009. Historically, trade often grew between 1.5 and 2 times the rate of the global economy, but since the financial crisis, trade growth has been lower than GDP growth, at an average of 3 percent per year compared to 3.2 percent for GDP, according to PwC.

Some of that could be owed to weak consumption leftover from the crisis, some of it to the slowdown in China and the resulting reduced global demand. However, PwC noted, China's transition away from a manufacturing and export-driven economy and the increasing use of automation which has helped many manufacturers make their own inputs instead of importing them, could mean that global trade growth is settling in for a new, lower trajectory.

"The growth of the digital economy is changing the nature of globalization, shifting it from physical transportation to a digital set of orders, which has shortened global supply chains thanks to new manufacturing technologies such as 3D printers," PwC wrote in the report.

And the currently increasing inability to negotiate, settle and implement trade deals, may not help to boost that trade growth trajectory.

"Globalization is also often associated with rising inequality…resulting in a lack of popular support for further trade agreements," according to PwC. "This has bought protectionism back into the policy spotlight, as illustrated by the new U.S. administration's preference to withdraw from the Trans-Pacific Partnership (TPP)." Progress has also been slow on the now likely stalled Transatlantic Trade and Investment Partnership (TTIP) between the U.S. and the EU.

Right now, the EU, U.S. and China hold a 56 percent share of world trade, while the rest of the world holds the other 44 percent. That means, according to PwC, that there's potential for emerging markets to engage in regional trade agreements to help advance themselves, and governments should support the efforts by incentivizing businesses to compete in these new markets.

"For advanced economies, governments should continue to pursue mutually beneficial trade deals, including regional trade agreements, and encouraging emerging markets to engage," according to PwC. "It will be important here that the new U.S. administration, while renegotiating trade deals it considers less favorable, does not retreat into the kind of protectionist shell that damaged world growth in the 1930s."

Source: sourcingjournalonline.com– Feb 13, 2017

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Denim dilemma: US cotton farmers fret over Trump trade policy

There's nothing more American — and Mexican — than a pair of jeans.

US cotton bales are gathered from Texas to the Carolinas and shipped as fluff, yarn or fabric across the border to Mexico, where they are cut, sewn and pieced together. About 40 per cent of men's and boy's jeans in the US are imported from Mexico, according to the US International Trade Administration, and some of the world's largest denim companies, including Levi Strauss and VF Corporation, maker of brands Lee and Wrangler, have a presence in Mexico.

"Mexico is my domestic market," said Alan Underwood, a cotton trader in Lubbock, Texas. His bales of cotton are driven to the border about five hours away and end up in Mexico City's textile mills, where they are assembled into apparel. Mr Underwood said it was closer and cheaper to ship cotton to Mexico than to much of the US.

Cotton is a sector of the US economy that stands to lose under a US government move to snatch back manufacturing jobs from Mexico.

With President Donald Trump's plans to build a wall at the border, renegotiate the North American Free Trade Agreement and levy a tax on Mexican imports, cotton traders and farmers are increasingly worried their relationship with Mexico will be up-ended. They fear his policies will hurt prices for one of the country's historic crops, close factories in Mexico and fail to bring back jobs to the US.

"During the last two decades, Mexico has always been among the top three importers of US cotton," said Wallace Darneille, chairman of Amcot, a trade association. "This longstanding relationship benefits both countries, as it provides significant employment on both sides of the border," he said.

The US cotton industry directly provided 126,553 jobs in 2015, according to the National Cotton Council. In a 2016 report, the ITA reported employment in the Mexican textile and apparel industry at 415,000 jobs, or about 6 per cent of the country's gross domestic product. Textile and apparel jobs in the US, meanwhile, have been on the decline for three decades.

The lack of visibility as to whether, when or how Mr Trump's ideas will come to fruition has some farmers more sanguine about the future and others at a loss for how to proceed with their business. Prices in the cotton - futures market have risen since the US election. "He's just bargaining," said Richard Anderson, a North Carolina cotton farmer, referring to Mr Trump.

In California's Central Valley, where some of the world's finest cotton is grown, Cannon Michael's 1600ha cotton farm has been picked clean, the fibre moved to the nearby gin where he is a part owner. Soon it will be planting season again. Mr Michael said he wasn't sure how to plan or how to protect his business in light of Mr Trump's trade policy rhetoric.

"There's so much speculation right now. It's really hard to tell what he is going to implement. Will there be a 20 per cent tax? Who pays it? It just throws up a lot of question marks," he said. Under NAFTA, which Mr Trump has called "a catastrophe" for the US, the American cotton industry has enjoyed a steady market for its exports and Mexico has benefited from a ready-made market for its apparel, particularly denim.

It isn't just cotton. Mexico is the biggest buyer of US crops like corn and the third biggest market overall for US agricultural exports, spending some $US18 billion ($23.5bn) in 2015, according to the US Department of Agriculture. Without NAFTA, American farmers could face tariffs of up to 25 per cent for some of their products.

Nearly 100 per cent of Mexico's cotton and yarn imports are from the US, according to the USDA, and the US in turn relies on labour from the Mexican textile industry to produce US apparel at a fraction of the cost. Growers are worried that more stringent immigration policies would make it harder to find workers.

Field crops like cotton rely heavily on both legal and illegal labourers from Mexico, according to a USDA survey of farm workers. About 22 per cent of labour used in field crops is unauthorised, mostly from Mexico.

Mr Trump's policies are aimed at bringing jobs back to the US Chief among them are manufacturing jobs like those in the apparel industry. In the US economy, cotton doesn't carry the heft of other industries. The output of US farms, including cotton and other agricultural commodities, contributes just 1 per cent of gross domestic product, according to the USDA.

The most labour-intensive part of building a pair of jeans — the cutting and sewing — is cheaper in Mexico and those jeans can be reimported into the US under NAFTA without penalty.

The result is that 98 per cent of garments sold in the US are imported, according to Cotton Inc, the research and marketing arm of the US cotton industry. The main ingredients tend to be produced in the US, in mostly automated factories with high-speed looms, multi-million-dollar dye printing machines and relatively few workers.

"In the early 90s, one by one, the apparel plants started going by the wayside, particularly when NAFTA kicked in," said Jack Mathews, who worked for 16 years for a denim mill based in Littlefield, Texas, before it closed in 2015. He says bringing apparel manufacturing back to the US is a fantasy. "Some other Asian country would be a beneficiary," he said.

Mr Michael, the cotton grower, echoes that sentiment. "People think the textile industry is going to see some kind of resurgence and become competitive again worldwide? I don't see that happening," he said.

Source: theaustralian.com.au– Feb 13, 2017

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Sri Lanka Aiming for China Trade Deal in 2017, Official Says

Sri Lanka aims to finalise a free trade agreement (FTA) with China later this year, said the country's ambassador to Beijing last weekend. The two Asian economies have been negotiating a trade deal since 2014.

Sri Lankan ambassador Karunasena Kodituwakku also confirmed to journalists in the Chinese capital city that his country's prime minister, Ranil Wickremesinghe, will visit Beijing in May to continue high-level FTA discussions, according to comments reported by Reuters. The two sides have held four negotiating rounds to date.

When the trade talks launched nearly three years ago, China's Ministry of Commerce (MOFCOM) affirmed that the future accord aimed to "contribute to further deepening bilateral economic and trade relations, and accord with the benefits of the two countries."

According to a joint feasibility study issued in 2014, the two sides aim to address areas such as tariffs and non-tariff measures, rules of origin, customs procedures, and sanitary and phytosanitary measures and technical barriers to trade.

They will also cover various aspects of services trade, along with addressing issues related to investment and economic and technological cooperation, including e-commerce and small and medium-sized enterprises.

The report also suggested that the deal could be a boon both in terms of “economic development and social welfare” for the two trading partners. Bilateral trade has been on the rise between the two Asian economies, hitting US$4.56 billion in 2015, increasing 12.9 percent year on year.

Separately, China has also been working with Sri Lanka on the development of the Hambantota port, as a part of China's "One Belt, One Road" initiative, an ambitious regional connectivity project which aims to develop land and maritime corridors across the region to Europe and beyond.

A growing network

Supporters of the deal suggest that the future FTA would help support the continued efforts to improve regional integration.

China has actively pursued trade deals within the Asia-Pacific and further afield, including in its participation with the 16-country Regional Comprehensive Economic Partnership (RCEP). The RCEP is being negotiated between the 10 members of the Association of Southeast Asian Nations (ASEAN) along with their six FTA partners: Australia, China, India, Japan, New Zealand, and South Korea.

For its part, Sri Lanka is currently party to five trade deals, some regional and others bilateral, with three other under negotiation, including the one with China, according to a list compiled by the Asian Development Bank.

Other countries, including India and New Zealand, are also reportedly considering trade deals with the South Asian country.

ICTSD Reporting; "Sri Lanka eyes China free trade deal this year, PM to visit in May," REUTERS, 4 February 2017; "Sri Lanka eyes China free trade deal," THE HINDU, 4 February 2017; "A tale of two trade pacts in Asia: TPP and RCEP," ASIAN DEVELOPMENT BANK, 2 June 2016.

Source: ictsd.org – Feb 12, 2017

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U.S., Japan Pledge to Discuss Bilateral Trade Issues

President Trump and Japanese Prime Minister Shinzo Abe said Feb. 10 that their nations will discuss a framework for deepening trade and investment relations but stopped short of mentioning a bilateral free trade agreement.

The two leaders also said they will "engage in an economic dialogue to discuss these and other issues" but gave no further details.

In a joint statement after a meeting in Washington, D.C., the two leaders said they "remain fully committed to strengthening the economic relationships between their two countries and across the [Asia-Pacific] region based on rules for free and fair trade."

They also vowed to continue efforts to promote trade, economic growth, and high standards throughout the region and to explore how best to accomplish these shared objectives.

While the statement pledged discussion of a bilateral framework (an effort to be led by Vice President Mike Pence and Deputy Prime Minister Taro Aso) it also acknowledged that Japan will continue to "advance regional progress on the basis of existing initiatives."

This could include the Trans-Pacific Partnership, which Trump withdrew the U.S. from last month, or the Regional Comprehensive Economic Partnership in which Japan is negotiating with China, India, and more than a dozen other countries.

Source: strtrade.com– Feb 14, 2017

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EU keen on pursuing trade deal with Asean

With the future of the Trans-Pacific Partnership (TPP) becoming uncertain, a top European Union (EU) diplomat has hinted the possibility of reviving the Free Trade Agreement (FTA) talks between the EU and Asean that were suspended almost a decade ago.

"The EU remains committed in its engagement with Brunei Darussalam and the region as a whole and looks forward to pursue trade liberalisation initiatives with its partners in Asean as we continuously seek ways to strike trade deals that will benefit all," Vincent Guérend, Ambassador of the EU to Indonesia and Brunei Darussalam said yesterday.

The EU non-resident envoy, who is in the Sultanate for a goodwill visit along with other residing and non-residing diplomats from EU countries to Brunei, was responding to the Bulletin's question on the possibility of reviving talks on a region-to-region FTA with the TPP's fate hanging in balance after the United States of America backed out from it recently.

Although talks on striking a deal for an EU-Asean FTA were suspended almost a decade ago due to different level of expectations from both sides, Vincent said the EU has been in favour of bilateral agreements with Asean member states that have the same level of expectations.

"The European Union is advancing these bilateral negotiations, but it is looking at embracing an EU-Asean trade deal once it can achieve a critical trade mass in the region, especially after concluding a deal with Indonesia which has a sizable GDP and population."

He further said that it is in the EU's trade policy to negotiate ambitious and deep trade agreements like the TPP that go much beyond cutting tariffs and have a wide scope of structural regulations such as competition, labour and environmental laws and also intellectual property, adding that these have the potential to materialise as they are not comparable with other free trade agreements that Asean has had in the past with its other partners.

Vincent highlighted that the EU, which is currently the largest trade bloc worldwide, is very committed to continuing its agenda of negotiating free trade agreements worldwide and shared that it has been in negotiations with more than 15 or so countries from the South America to Japan and also African sub region countries over the last few years.

"In this region (Southeast Asia), we have concluded an agreement with Singapore and Vietnam and also started negotiations with the Philippines, Indonesia, Malaysia and Thailand… so the free trade agenda is very much one of the top agendas of the EU also for the simple reason that the prosperity of the EU lies very much on trade openness for all European countries," he further shared.

Vincent also noted that the EU's Trade Commissioner to Asean has also been actively in talks with Asean ministers on the possibility of reviving the EU-Asean trade deal and said another round of meeting with Asean ministers and the EU will be held in March this year.

The delegation of 14 EU diplomats – including 12 ambassadors accredited to Brunei Darussalam and two deputy heads of mission – are currently in the Sultanate for a two-day visit focussing on enhancing EU-Brunei and EU-Asean relations and giving opportunity to discuss matters of bilateral importance including strengthening political ties and advancing trade relations as well as a range of regional and global issues.

Source: borneobulletin.com.bn – Feb 10, 2017

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Too Soon to Discuss China Replacing U.S. in TPP, Singapore Says

It is too early to think about other countries like China joining the Trans-Pacific Partnership after Donald Trump withdrew the U.S. from the trade pact, according to the Singapore government.

Asked if Singapore would first want to clarify the future of the TPP with the 10 other parties that remain, Trade and Industry Minister S. Iswaran replied: "To some extent that would be the case."

"I think we have to allow for some time, it's still very early days in the new U.S. administration," he said on Friday in an interview. "I think we have to see how that also evolves in terms of their own attitude towards trade and economic engagement with the TPP."

The TPP -- a signature policy of the former U.S. administration -- was thrown into disarray after Trump pulled the U.S. out in one of his first acts as president, signaling a more protectionist approach. He has already criticized the trade policies of Japan, China and South Korea, having threatened to start a trade war with Beijing.

China should now seek to join the TPP as early as possible to build closer ties with countries in the region and limit trade friction, the China Daily reported on Friday, citing researchers from the Center for China and Globalization.

China Question

“If a new major country, China or any other, come on board, there will have to be a reassessment and the elements of the agreement will have to be I think revisited by all parties,” Iswaran said when asked about the report.

The pact, which goes beyond traditional trade deals to include issues like intellectual property, labor standards and the role of state-owned enterprises, was seen as a U.S. counterpoint to China’s increased clout in Asia. China is also pushing for a separate Asia agreement that does not currently include the U.S., with talks on that pact to be held this month in Japan.

Beijing has mooted previously its potential to take part in the TPP. The U.S. and some other nations had said in response the pact needed to be enacted by the original members before others could join -- and then only if they met the standards on the non-trade issues encompassed in the deal.

“When one major party pulls out it obviously changes the equation, but there are many elements in that agreement which I think are very high standard, and basically have been agreed to with an eye to the future in terms of how the economies will evolve and certain trends,” Iswaran said.

‘Dark Room’

“The specific manner of any developments in terms of the current TPP structure and its members, and any new members coming in, I think that is something that the parties have to discuss.”

As Trump increases his protectionist rhetoric, China’s leaders are ramping up support for globalization and free trade. In a speech last month to the

World Economic Forum at Davos, President Xi Jinping likened protectionism to "locking oneself in a dark room."

Trump opposed the pact because he said it could hurt American jobs. But the impact of his decision is likely to go beyond trade, giving leeway to Xi to position China as an economic and military anchor in the western Pacific. Since coming to power, Xi has sought to expand China's trade ties with its neighbors and begun an ambitious infrastructure project to reinvigorate ancient trading routes to the Middle East and Europe.

Iswaran said Singapore was keeping its options open on where the TPP could head from here. Speaking in parliament earlier this week, Trade Minister Lim Hng Kiang said the TPP as signed can't come into effect without the U.S.

TPP Without U.S.

Australia has said it will seek to push ahead with the TPP -- minus the U.S. -- at a meeting of other potential members in Chile next month. The pact remains "absolutely" relevant without the U.S. and the text of the accord would only need minor tweaking to allow for America's withdrawal, Trade Minister Steven Ciobo said in a Bloomberg Television interview on Wednesday.

Asked about whether a so-called TPP-11 would be feasible, Iswaran said there were several potential ways to keep the TPP alive, including allowing the U.S. to rejoin at some point.

"I think we have to keep ourselves flexible about this," he said. "It doesn't serve I think the interest of nations to be too locked in, it is better to have some level of flexibility and to see which are the pathways that best serve our national and mutual interests."

Still, the Chile meeting could be a good starting point, he added. "Everybody will be able to reassess and enough time would have passed for the new administration to take stock."

Source: bloomberg.com– Feb 12, 2017

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China's pain, Italy's gain: high costs push textile buyers west

International textiles buyers are increasingly switching away from China, and back to Western suppliers, as rising labor, raw material and energy costs make the world's dominant producer more expensive.

In Biella, a small town in the foothills of the Alps at the heart of northern Italy's wool industry, factory owners say a narrowing price difference with China and demands for nimbler production nearer home are winning back higher-end customers.

In the office of his family business, Alessandro Barberis Canonico recounts how one high-profile European client called him recently to say he was giving up on China because of rising costs there and the increased demand for quality - and would need help from Biella for a big collection.

"He had tried his luck going abroad; things did not go well, so he's now back," Barberis Canonico said.

For sure, China remains a world leader in textiles: employing over 4.6 million people, contributing a tenth of GDP and with exports, including apparel, of $284 billion in 2015, according to data from China's National Bureau of Statistics, the Ministry of Industry and Information Technology, and the China Chamber of Commerce for Import and Export of Textile and Apparel.

But wages there have been rising at an annual compound growth rate of more than 12 percent, outpacing the economy, and are simply no longer cheap enough to compete just on price.

At the same time, China's textiles sector faces rising costs of inputs such as cotton and wool, hefty import taxes for basic manufacturing equipment, and costlier environmental rules.

The government's five-year plan for textiles, released in September, acknowledged that higher costs are weakening its international advantage, and it faces a 'double whammy' from developed countries - like Italy - with better technology and developing countries with lower wages.

"LESS ATTRACTIVE"

The labor cost gap between Italian and Chinese yarn narrowed by around 30 percent between 2008 and 2016, to $0.57 per kg from $0.82/kg, according to International Textile Manufacturers Federation (ITMF) data.

The hourly wage for a Chinese weaver last year was $3.52, according to the ITMF, up 25 percent since 2014, though still a fraction of the more than $27.25 paid in Italy, an increase of 9 percent over the same period.

"When China's wages are not that low, the process of shipping materials so far to China and then shipping products back to Europe becomes a lot less attractive," said Shiu Lo Mo-ching, Chairman of Hong Kong General Chamber of Textiles Ltd and CEO of textile manufacturer Wah Fung Group. "They'd rather take the production back to Europe. This trend has been very obvious."

That proximity is also an advantage at a time when Western clothing brands are under pressure to offer more collections, and customers increasingly want customized looks. Their suppliers need to be closer, and faster.

"In China ... their supply chain is not close, and is scattered, giving (Italy) a competitive advantage," said Ercole Botto Poala, CEO of Italian textile producer Reda.

Italy's textile imports from China fell 8.7 percent in the first 10 months of last year, to 347 million euros ($370 million), according to SMI, Italy's textile and fashion association. Its exports to China rose 2.8 percent to 165 million euros in the same period, though total textile exports last year dipped 2 percent to 4.3 billion euros.

For buyers, quality and transparency are also key.

"Before, given (brands) were paying much less, they turned a blind eye to quality," said Giovanni Germanetti, director general of Italian yarn and textile producer Tollegno 1900, one of several producers who told Reuters that clients were returning for what he described was better value for money.

Alessandro Brun, professor at the MIP Milan Politecnico, said brands are also motivated by concerns over product traceability, and want to avoid potential reputational risk.

While suppliers were reluctant to name specific brands they sell to, so as to protect business confidentiality, several international apparel firms are switching to Italian wool fabrics so they can name the mill they source from on labels to differentiate from rivals, producers said.

Italian high-street brand Benetton [EDZINB.UL] said it used yarn from Tollegno 1900 in a newly-launched Made-in-Italy line of limited edition seamless wool jumpers.

MOVING AWAY

More than 9,000 kms (5,600 miles) from Biella, in the bustle of the biennial Canton Trade Fair, some buyers said they were moving away from China.

"We already buy 60 percent less from China compared to two years ago," said Olesia Pryimak, who attended the trade fair late last year to source material for her plus-sized fashion firm Opri in Ukraine. She said her company is turning increasingly to Turkey for fabrics, because of quality, price and proximity to Europe.

Many of the producers and buyers interviewed said it was too soon for data to show the flow out of China.

China's textile exports to the European Union grew a modest 1.4 percent in the first ten months of last year, but dropped 4.1 percent in October, according to Chinese data.

In Zhuhai in China's industrial southern belt, middle-aged workers load bundles of white wool for washing and dyeing at a spacious, well-lit factory owned by Hong Kong-based Novetex Holdings, a supplier of wool and cashmere yarn to international brands including Burberry (BRBY.L) and Max Mara.

The company employs about 1,100 workers during peak season, but rising wages mean it is now investing in more automation, and will cut two-thirds of its workforce in two years.

"The overall cake is smaller. Many agents and smaller factories have shut down," said director and CEO Milton Chan.

Source: reuters.com– Feb 13, 2017

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Pakistan: America first?

DONALD Trump says virtually every state takes advantage of the US and he will put America first in global deals. This sounds like an elephant cribbing about smaller beings throwing their weight at it. Has the US truly lost in the globalisation process that it had itself unleashed in 1980?

Globalisation means increased flows of goods, services, money, people, ideas and ecology among states leading to global economic, political and social convergence. Globalisation was unleashed by Reagan to increase US corporate profits. But only those flows were encouraged which increased such profits, ie, those of goods, services and investments. Even here, weaker states had to open their industries to competition, but key US sectors, like agriculture, were protected.

Other US trade policies hurt poor states too, eg, higher tariffs on goods from developing than rich states, and restrictions on textiles and clothing imports. Global intellectual rights, trade in services and investment agreements were also designed to benefit rich states. Flows benefiting poor states were discouraged, eg, of people to the US and of aid to poor states.

Thus, instead of encouraging all types of flows in all directions, the US introduced neoliberal globalisation, which only encouraged those flows which benefited corporate America most.

Neoliberal globalisation has produced winners and losers. The rich in the US have won big, as shown by the exploding number of its billionaires and the trillions hidden in offshore havens.

Middle classes in some developing states have benefited too, eg India and East Asia as have some labour segments there. But millions have been incorporated into globalisation in sweatshops in Bangladesh and Indonesia while millions of others have lost their livelihoods.

Even American middle and working class fortunes have stagnated. In fact, the most vocal reaction to such globalisation has come not from poor states that are bigger losers but from working classes in rich states.

Trump tapped into this anger by demonising globalisation as being against US interests. The global order rests on a delicate balance. As the global hegemon, the US derives maximum benefits from it but must also not squeeze other states too much. This requires it to maintain large trade and fiscal deficits. Large trade deficits have emerged as US companies have moved abroad to avail themselves of lower labour and regulatory costs.

But large US trade deficits help run the global system. In the absence of a global currency, the dollar serves this role. So, the deficits help supply the world with dollars. However, those dollars soon return via the profits repatriated by US companies.

Since the global hegemon also usually runs fiscal deficits, partially due to the costs of global policing, they also return via the US public debt purchased by states like Japan and China with excess dollars earned from their trade surpluses. Without safe investment options for these states, the US incurs this debt at low interest rates. This cheap debt fuels the US public and private consumption frenzies which again cause US trade deficits.

This is the merry-go-round nature of the unfair and volatile global capitalist system run by the US which perpetuates global inequality and economic volatility. Hence, it should be replaced by a more just globalisation system based on leftist, progressive policies.

Trump plans to move the system even further rightward to make it serve the interests of all Americans. But in trying to reduce US trade deficits and bring factory jobs back to the US, he threatens to unravel this delicate balance and unleash global trade wars and possible global recession.

While it is still the most powerful nation globally, it lacks the power to force the world to submit easily to its desires further on economic issues. Mere raving and ranting by Trump will not bring the world to heel.

My little daughter often watches this story about a bad wolf which goes around destroying the hay and wood houses of little pigs by merely huffing and puffing. But he ultimately comes across a pig who constructed a brick house given the experiences of his sibling pigs. The wolf fails to bring down the house.

Much the same is true in global politics today. Learning from past dealings with the US, more and more states have built brick houses which bad wolf Trump cannot destroy merely by huffing and puffing.

The solution to the ills faced by US working classes and billions globally lies in building a fair economic system which taxes the rich fairly. But such a system will not emerge under a US ruled by its extreme right.

Unfortunately, the most powerful state in the world is better at creating global problems than solving them. Until this hegemony ends, the world will lurch from one political and economic crisis to the next under US leadership.

Source: dawn.com– Feb 14, 2017

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Uzbekistan to build textile industrial park for $15 Mn Korean grant

The Korean Government is expected to provide $15 million grant to Uzbekistan for construction of the textile park in Tashkent, reports Norma.

The textile park will be created by the decree of President of Uzbekistan signed on February 8.

Construction and equipment of the textile park will be completed by 2018 taking into account recommendations of the Korean side.

The purpose of the new free zone will be organization of trainings for students and young scientists with participation of foreign professors and research scientists.

The textile park will be also engaged in scientific researches.

Source: akipress.com– Feb 14, 2017

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Chinese textile firms continue to invest in Ethiopia

Few large Chinese companies, including textile and garment manufacturing industries, have decided to invest in Ethiopia in the first half of the current Ethiopian budget year. The investment has come after the Ethiopian Investment Commission (EIC) started according priority to large, effective companies that can offer more and quick employment.

Following the new strategy, Ethiopia has managed to attract investment from ten large Chinese companies, according to EIC commissioner Fitsum Arega. About half of these are in textile and apparel manufacturing, and this includes Jiangsu Sunshine Group, which has decided to invest nearly $1 billion in Ethiopia.

The decision by the Chinese companies to invest in Ethiopia clearly shows that the East African nation has continued to become a favourable investment destination, Arega told Ethiopian news agency.

Speaking on the change in EIC's strategy in attracting foreign investment, Arega said, "The ongoing direction is not focusing on increasing number of participants coming in the name of investors. Rather the country prioritised attracting some but large, effective companies which can meet the targets of both the company and the country."

Competitive wages, trainable workforce, ongoing infrastructure development, fast growing economy, government support and favourable investment climate are among the factors that attract large companies to invest in Ethiopia.

"We recommend any investor worldwide to invest in Ethiopia because of its economic, political, and social stability, which is enthused by incredible government commitment and incentives towards the textile sector," says Osman Basoglu, general manager of Etur Textile Plc, a part of Yuskel Group, on EIC website.

Source: fibre2fashion.com– Feb 13, 2017

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EU and Mexico agree to accelerate talks for new FTA

The EU and Mexico have agreed to accelerate negotiation schedule for a new, reformed Free Trade Agreement (FTA). Last year, both parties had agreed to initiate negotiations to update the existing FTA signed in 2000. Global trade patterns have changed substantially during the 16-year period, pointing to the need for a broader and more far-reaching FTA.

As part of accelerated negotiation process, two rounds for the EU-Mexico trade negotiations will take place in April and June. This was agreed by EU commissioner for trade, Cecilia Malmström, and the minister of economy of Mexico, Ildefonso Guajardo. As part of the new schedule, the two also agreed to meet in Mexico City between these rounds to take stock and push negotiators for further progress.

"We will take our trade relations fully into the 21st century. We will be able to boost growth, making our firms more competitive and widening choices for consumers while creating jobs.

Together, we are witnessing the worrying rise of protectionism around the world. Side by side, as like-minded partners, we must now stand up for the idea of global, open cooperation. We are already well underway in our joint efforts to deepen openness to trade on both sides. Now, we will accelerate the pace of these talks in order to reap the benefits sooner," said Malmström and Guajardo in a joint statement.

The objective of the modernising process of FTA is to better mirror other ambitious trade deals that the EU and Mexico have negotiated lately, the EU website said.

Between 2005 and 2015, the yearly trade flow of goods between EU and Mexico has more than doubled from €26 billion to €53 billion, against the backdrop of the existing FTA.

Source: fibre2fashion.com– Feb 13, 2017

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Bangladesh & Cambodia to form joint trade commission

Bangladesh and Cambodia are working towards forming a trade commission, which will most probably be signed this year, said an official from Cambodia's commerce ministry. Bangladesh is very close to finalising terms for the commission that will result in a bilateral trade agreement between the two countries. The agreement will lower tariffs on imports.

The commerce ministry of Cambodia has already agreed to form the commission and is currently waiting for an approval from Bangladesh, a Cambodian daily said quoting Soeng Sophary, spokesperson for the ministry of commerce of Cambodia.

Sophary added that both countries have formulated a list of products and items that will be imported and exported between the two countries. It will be revealed after they sign the agreement. She also said that the apparel industry drives the growth in both countries and the trade will be carried out to complement both the countries' growth.

The trade between Bangladesh and Cambodia amounts to $6.7 million per year. The main exports from Cambodia to Bangladesh include cotton, cooking oil and fertilisers, while the former imports garments, footwear and leather goods from the latter.

A trade deal between the two countries is likely to boost garment production in both nations and tariff-free leather will help increase Cambodia's travel goods sector, said president of the Garment Manufacturers Association of Cambodia Van Sou leng.

Sou leng also spoke about a labour-sharing agreement to allow workers from Bangladesh to migrate to Cambodia. This is likely to help with the growth of Cambodia's manufacturing capabilities.

Source: fibre2fashion.com– Feb 14, 2017

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Argentina amends content declaration for textiles

The Argentinean government has amended the Product Composition Sworn Declaration (DJCP) requirements for domestically-produced and imported textiles, apparel, and footwear.

DJCPs will be generated through the Integrated Foreign Trade System (SISCO) using a unique numeric or alphanumeric product identification code that will be valid for 180 days.

As per Resolution 70/2017, the validity of product identification code has been increased to 180 days from the previous 120 days.

The effective date of the new requirements announced in December 2016 has been postponed to May 5, 2017 from the earlier date of February 4.

Likewise, the requirement for DJCPs to be accompanied by a laboratory test report supporting the fibre/constituent material content declaration of the product has been delayed from June 4, 2017, to May 5, 2018.

The resolution, 404-E/2016, announced by the Bureau of Trade of Argentina in December 2016 required that DJCPs be presented to the Bureau of Trade of the ministry of production by manufacturers and importers of textile and footwear.

The declaration must contain the percentage composition of the fibres or of the constituent materials in the product. The declaration will include supporting evidence regarding the validity of the information stated on the product label.

Moreover, it required that DJCPs be filed electronically on the SISCO, and an acceptance certificate and code would be issued thereafter.

Both the certificate and the code would be valid for a period of 120 days during which the product can enter the Argentinean market. This period has now been extended to 180 days.

For the purpose of this resolution, any product would be considered a textile product, if it has at least 80 per cent of its mass consisting of fibres or textile filaments.

It defines textile as any item in its raw, semi-processed, semi-manufactured, manufactured, semi-finished, or ready-made state, consisting exclusively of fibres or textile filaments.

The correctness of the declaration made by manufacturers, importers, distributors, wholesalers and retailers regarding fibre or material composition can be assessed by the Enforcement Authority, with the help of National Institute of Industrial Technology (INTI).

For outstanding stocks of textiles and footwear without a corresponding DJCP, a grace period of 360 days from the date of enforcement of the resolution is provided to sell such stocks.

Source: fibre2fashion.com– Feb 13, 2017

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NATIONAL NEWS

Textile India Conclave to be held in Gandhinagar

Textile India Conclave and Exhibition is scheduled to be held at Mahatma Mandir in Gandhinagar from June 30 to July 2, 2017. The three-day global textile industry event will be inaugurated by Prime Minister Narendra Modi.

"The government is organizing Textile India Conclave and Exhibition in Gujarat, which will be a big platform for industry players to showcase their products," said textile secretary, government of India, Rashmi Verma during a regional conference on textiles in Ahmedabad on Monday.

"Big players (of the textile industry), who source from India, chief operating officers (CEOs) and industry leaders are expected to participate. There will also be business-to-business (B2B) meetings," added Verma, who was in Ahmedabad to interact with textile and apparel industry representatives about the Rs 6,000 crore special package announced for the sector.

Even six months after the package was announced, it has found few takers as too few applications for benefits have been received.

According to senior government officials at the industry interaction, the package has not taken off as was expected.

"The scheme was launched six months ago, after accommodating suggestions and demands from the industry. However, it has not translated into an increase in investment, employment generation or more exports," Verma.

The interaction was aimed at understanding the reasons for the lukewarm response. The government is also planning to reach out to industry players by meeting associations and camps to further explain what the package constitutes. "Not everyone is aware of the scheme. Awareness needs to be raised. We have asked the state government to chip in," Verma said.

Source: timesofindia.com- Feb 14, 2017

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Panel formed to monitor purchase of cotton for Kerala government's textile mills

Government textile mills will engage in the centralised purchase of cotton to ensure transparency and provide raw material before opening the mills. A central purchasing committee consisting of managing directors of textile mills and director of the public sector Restructuring and Internal Audit Board (RIAB) will make the purchase decisions.

“The committee will replace private agencies and buy directly from the market. This will ensure quality and transparency. A similar committee will be established for the sale of the yarn produced,” said an official with the Directorate of Handlooms and Textiles.

The setting up of a centralised mechanism was one of the major demands of the trade unions. “In the past, middlemen used to supply cotton by giving kickbacks. Low quality of cotton resulted in the production of substandard yarn which had poor demand,” said Vijayan Kunissery, general secretary of the Textile Federation (AITUC).

The high cost of cotton and low price for yarn has dealt the industry a double blow. The price of cotton has been steadily rising despite it being the production season in Maharashtra, the largest cotton-producing state.

It hovers around `6,000 per quintal due to high demand for Indian cotton from neighbouring Asian countries. Textile mills which largely deal with the unorganised sector have been affected by demonetisation.

Spinning and textile mills in the state have been closed for more than six months owing to the financial crisis.

Lack of working capital and raw materials, inability to pay electricity charges, statutory liabilities etc. have affected the functioning of the mills.

Six mills have been closed down and many have seen layoffs in the last four months.

Around 2,000 workers in the mills were affected due to the stalemate.

Industries Minister A C Moideen held talks with trade union leaders to find ways to reopen the mills. The Minister had announced the mills would open on January 1.

But administrative sanction for funds to purchase cotton and settle other dues was delayed by a month. The decision to allot Rs 15 crore on February 8 came at a time when trade unions were charting out the next stage of protests.

Source: newindianexpress.com - Feb 14, 2017

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India may further cut Monsanto GMO cotton royalty, eventually to zero

Regardless of technology companies like Monsanto crying foul, the Modi government is likely to follow a plan to reduce the trait value (royalty) for [insect resistant] Bt cotton seeds year after year, and in a few years, to zero.

According to official sources, an agriculture ministry-anchored committee meeting, [Monsanto faces] another 10% reduction in trait value, which was slashed a steep 70% a year ago.

After last year's cut in the fees to Mahyco Monsanto Biotech (MMBL), a joint venture between the US-based biotech major Monsanto and Maharashtra-based Mahyco, the trait value has been just 6% of the pan-India ceiling price of R800 [about $12] per packet for the seed.

MMBL had moved the Delhi High Court against the reduction in trait value and the capping of the seed price, arguing that the December 2015 price control order was "illegal and unconstitutional". The court is yet to decide on the matter.

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About 83% of the country's cotton area of 10.2 million hectares (in the 2016-17 season) was under Bt variety.

The country's cotton production has risen manifold since the introduction of Bt seeds — from 13.6 million bales in 2002-03 to a projected 32.12 million bales in 2016-17.

Source: geneticliteracyproject.org– Feb 13, 2017

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What farmers want from policy-makers

Agriculture is not a profitable business in India. About 70 per cent of the country's farmers are struggling to make ends meet. In 2012-13, the NSSO's 'Situation Assessment Survey of Agricultural Households' showed that farmers who own 1 hectare or less of land see an average monthly income of ₹5,247, which doesn't even suffice to meet their household expenses.

Prime Minister Modi's ambitious target of doubling farmers' income over the next five years looks a challenging task. The Budget has proposed various means to achieve this objective, including market-linked price to farmer, encouraging contract farming and more funding for eNAM. But these measures will yield the desired result only if supported by the States.

BusinessLine spoke to farmers and farmer representatives for their take on how farm income can be increased.

Remunerative price

SavitriBai from Lohrapur in Bundi district of Rajasthan joined the Samriddhi Mahila Producer Company a few years back, from a women's self-help group. She is now the Chairperson of the company and assists several self-help groups in the area in joining the producer company and getting better price for their produce. Speaking to *BusinessLine*, she said, "Today, farmers are forced to sell at the agent's price. If the government fixes a price for our crops and ensures that we get that price, it will be of great help…." Asked what price she wanted for her crops, SavitriBai said, "We will be happy if we get double the cost of cultivation, only then will farming be a viable business…"

In 2006, the National Commission for Farmers (NCF) headed by Prof MS Swaminathan recommended fixing MSP for crops "at least 50 per cent more than the weighted average cost of production". This found mention in the BJP's election manifesto in 2014.

But till now, this hasn't been implemented. In 2015, to a PIL filed by the Consortium of Farmers Association asking for its implementation, the government replied that it cannot do it as it would distort the market.

While MSP (minimum support price) is announced for 23 crops, it is practically applied only to rice, wheat and cotton, and, even in these crops, the procurement effectively happens only in a few producer States, says a Niti Aayog report. So, it is not about just coming up with a price, but about ensuring that procurement happens at that price so that the middlemen in the trade accept it, say experts.

Asked about NCF's MSP recommendation, Prof Swaminathan said, "Calculations were made by taking the marketable surplus available to a small farmer and his holding capacity. Most small farmers have hardly 20 to 30 quintals to sell. Their cost of production is also high due to lack of adequate irrigation. If we want the farmers to come out of the poverty trap, we have to increase their income by an attractive price as well as through crop-livestock and post harvest technology enterprises..."

Another way to ensure remunerative prices to farmers is by encouraging contract farming, the advantage being that the farmer will have a guaranteed price and also have access to quality inputs. In the recent Budget, the Finance Minister said a model law on contract farming would be prepared and States would be asked to adopt it.

The Centre's other initiative, eNAM (electronic National Market), can also help farmers get a better price by connecting them to the consumer directly. But this initiative has been stuck because of implementation glitches. Of the 2,477 APMCs, only 250-plus have enrolled under eNAM. Even in these, only gate entry is happening electronically, the auctions are still through open outcry system.

Covering price risk

The commodity derivatives market can be used as a tool to hedge price risks but farmers don't go directly to the futures platform, due to various reasons. One, there is very little awareness and two, there are stringent KYC norms.

Margin requirements and the large lot sizes on contracts are also deterrents. This is where Farmer Producer Companies help. By aggregating the produce of small farmers and taking positions on that stock in the futures market, they save the farmers from volatile prices.

Souvik Dhar, Project Executive of SRIJAN, an NGO, said, “We take positions in future contracts in soyabean and mustard in NCDEX for farmers in the producer company linked to us. But as prices could move in any direction, we don’t take position for all the stock we have on hand, we do it only for 50 per cent of the stock.”

NCDEX, the largest agri commodity exchange of the country, has futures contract only in a few commodities, and this is a limitation, said Dhar. “Last year, the price of urad was around ₹10,000/kg and during harvest, it came to ₹7,000/kg. We thought the price may improve slowly but now it has come down even further. Had there been a contract on this crop, it would have helped farmers ...”

So, who decides which commodities are traded on the derivative exchange? It is SEBI, the commodities derivative market regulator. In September last year, the list of notified commodities was released, covering 91 goods including rice, millet, tur, urad, maize, coffee, tea, eggs and potato. But given that many of these are essential commodities, the government and the regulator are not keen to introduce them in the derivatives platform.

Tech and infrastructure

In Pali district of Rajasthan, a tribal area, SRIJAN worked with farmers last year and promoted tomato cultivation. In the January harvest, the yield was very good but the Garasiya Tribe farmers were not a happy lot as the price of tomato dropped to ₹1/kg. In November last year when they started cultivation, the price was ₹10/kg. Babli Bai, a tribal woman farmer from the region, says, “It felt like all our efforts went in vain...”

There is need for infrastructure facilities by way of cold chain and warehouses that even small farmers could use. Today, there is very little interest for cultivation of fruits and vegetable mainly because of inadequate storage facilities. Fruit and vegetable cultivation can increase income for farmers significantly.”

CSO data shows that in 2013-14, fruits and vegetable crops generated ₹3.30 lakh worth of output per hectare on an average compared with ₹37,500 in the case of cereals and ₹29,000 in the case of pulses.

Source: thehindubusinessline.com - Feb 13, 2017

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Mafatlal Industries: 'We have the potential to be global leader in textiles'

Optimistic about market scenario, Aniruddha Deshmukh, MD & CEO, Mafatlal Industries says "We really see a good opportunity in the market." Mafatlal does B2B and B2C trade and also direct selling to end consumers.

He says "These days, consumers are attracted towards innovations. They come to the market to see new offerings. In fashion business, you can't sell if the product is the same as trends change fast and you have to keep pace with this change. You are supposed to innovate consistently," Deshmukh explains.

Innovations, the way ahead

Deshmukh says in women's wear, there are a lot of prints in the market. Viscose has good demand. "In denim, we are making good movement. We are seeing growth in high-end fashion denim." Similarly, in white fabric, people are looking for more varieties. Mafatlal has introduced dobbies keeping demand in mind.

Talking about maintaining lead, he adds, "There is distribution channel since we are into B2B and B2C both, we have to be aligned with brands and end consumers. Supply and value chain is another area to work on.

Supply chain efficiency and on time delivery matters a lot to stay ahead. Competition is there, all you need to do is find your niche, and start dominating the market."

Mafatlal Industries is into denim and shirting, as well as school uniform and ready to stitch clothing. "In shirting, we are the leader in white fabric category, which is used for shirting, *kurta payjamas* etc.

Then comes polyester cotton and cotton blends, we do fair amount of prints too such as cotton and viscose prints. We are number one in school uniform segment. We do corporate as well and are leading in this segment. And we are well established in ready to stitch segment," informs Deshmukh.

Domestic demand a big plus

Since textile does not come under any taxation, the only uncertainty is GST and its applicability on the sector. Rest everything is almost certain, opines Deshmukh. The sector has potential as textile is an essential sector and has to grow. What is needed at this point is how we can generate more employment and contribute to the growth of the sector.

"The government is taking a number of initiatives for the betterment of the sector, especially garment sector. States are setting up textile parks and policies to encourage growth," he avers. Talking about other Asian competitors he says, "Countries such as Bangladesh and Vietnam have big scale setups. They are connected well with overseas companies, and are doing a good job.

But the fact of the matter is they don't have domestic demand and this goes to our advantage. We have an equal opportunity in export and domestic market. Since China is dipping in some areas, it is good for India and we should capitalise on it."

India needs to boost its exports and domestic markets, he feels. "China is giving us space and we should utilise it. We are the second largest in the world after China in textiles. Indeed Bangladesh and neighbouring countries are growing well in garmenting sector but as far as textiles are concerned, we have the potential to be a global leader," Deshmukh sums up.

Source: fashionunited.in- Feb 13, 2017

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Indian designers are getting noticed globally: Vaishali Shadangule

Indian designer Vaishali Shadangule, who recently showcased her creations at the prestigious New York Fashion Week (NYFW), says that the need for original work and acceptance of new ideas is creating new space for Indian designers in the international market.

"International fashion market is very open to accept new ideas and experiments and Indian designers are getting noticed globally. The consistency of innovative and original work is increasingly creating a new space for Indian fashion in the international segment," Shadangule told IANS in an email interview from New York.

She says she is trying to explore different possibilities of international expansion. "People are showing interest in the brand and I'm considering several aspects. To set a trend and establish an exclusive presence in the business international market is very important," she said.

"I think the best way to grow a brand is to keep building the maturity of your work. I have always tried to maintain that and the experience is very fulfilling. The challenges are part of the journey and strength and determination is the key to deal with that," added the designer.

Her label Vaishali S, launched in 2001, is a Mumbai-based brand. Her vision is to bring India's centuries-old weaving technique to the forefront in the global fashion scene. The label uses a modern and innovative approach that blends modern fashion trends with traditional Indian textiles.

The current collection is a mix of Khadi, Merino wool and different weaves of India. The designer has successfully produced and presented 19 collections at prestigious events such as the New York Fashion Week, FDCI (Amazon/Wills) Fashion Week, and Lakme Fashion Week to date.

Shadangule has explored and worked with textiles developed across India's various regional and cultural textile centres. She has brought traditional weaving techniques from many of India's remote villages to its mainstream fashion centres.

The designer is happy after her second innings at NWFW. "The previous collection was met with appreciation by the viewers and the buyers. So I do feel this collection will also find a space in everyone's hearts. I think the collection will make a good impact and the versatility of hand woven textiles and the Indian traditional aesthetic will itself will be a show-stopper this time," she said.

"My inspiration and philosophy behind the collection is about reviving the rich Indian traditional hand woven textile. I believe this will find a connection with the audience and will be a step towards bringing a remarkable change," she added. With such a wide exposure nationally and internationally, she feels that there is scope for everyone if the work is original.

"I think any designer can create something exclusive and original only when it comes from a place of honesty and a staunch belief in their own work. So, if the expression is genuine it will translate into great work and it will be noticed," she said adding that the "talent is there but more good institutions to groom the talent need to be established. Glamour is just a shadow of good work".

Source: cottonyarnmarket.net - Feb 14, 2017

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