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. 245 of 2016 Dec 06, 2016

USD 68.04 | EUR 73.17 | GBP 86.69 | JPY 0.60

Cotton Market Update

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

Rs./Bale	Rs./Candy	USD Cent/lb
18645	39000	**73.06**

Domestic Futures Price (Ex. Gin), December

Rs./Bale	Rs./Candy	USD Cent/lb
19200	40162	**75.23**

International Futures Price

NY ICE USD Cents/lb (March 2017)	71. 01
ZCE Yuan/MT (January 2017)	15,660
ZCE Cotton: USD Cents/lb	**87.73**
Cotlook A Index – Physical	**79.55**

Cotton & currency guide: Cotton traded marginally lower in Indian market on Monday. The shankar-6 variety of cotton quoted at Rs. 39400 per candy equivalent to 73.70 USD cents per pound with stronger exchange rate of 68.05 INR against one US Dollar. The price of cotton traded a tad down with the increase in the arrivals. The arrivals have increased substantially to around 150,000 bales higher by about 25,000 bales in last one week's average. Out of total arrivals around 38,000 bales were from Gujarat and 58,000 bales from Maharastra.

The effect lower spot price had an impact on the futures contract. The most active December future ended the session at Rs. 19060 no major change from the previous close. In fact the counter has been trading steady for the past five consecutive trading sessions. Overall market is moving in a very tight range amid heavy supply and lower demand.

From the global front the ICE March cotton traded mostly stable to lower and ended the session at 71.01 cents/lb. In line with domestic trend the US cotton is also trading mostly steady in last one week. Although harvesting in the US is in full swing unexpected widespread rains in West Texas over the weekend has kept the harvesting in standstill. In the meanwhile Cotlook A Index traded steady at 79.55.

We believe market to remain steady to lower on today's trading session. This morning ICE cotton is trading steady at 71.01 and the Chinese cotton future is marginally lower by a quarter percent at 15615 Yuan/MT. The domestic cotton price is also expected to trade sideways to lower. The trading range for the day would be Rs. 18900 to Rs. 19140 per bale for the December future at MCX.

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

Exhibit your company at www.texprocil.org at **INR 990** per annum
Please click here to register your Company's name

DISCLAIMER: The information in this message July be privileged. If you have received it by mistake please notify "the sender" by return e-mail and delete the message from "your system". Any unauthorized use or dissemination of this message in whole or in part is strictly prohibited. Any "information" in this message that does not relate to "official business" shall be understood to be neither given nor endorsed by TEXPROCIL - The Cotton Textiles Export Promotion Council.

NEWS CLIPPINGS

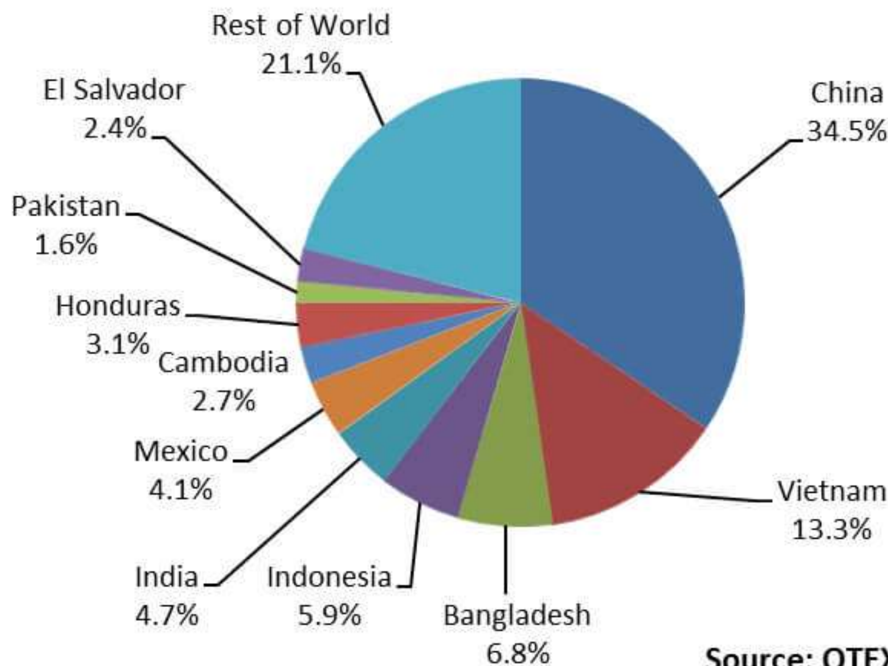
INTERNATIONAL NEWS	
No	Topics
1	Despite TPP Limbo, Vietnam Strengthens Position in US Market
2	USA: Apparel Retail Sales Underperform Industry in October
3	Overseas E-commerce Sales Lead China's Retail Boom
4	Korea eyes cooperation in Pakistan's energy, infrastructure
5	Pakistan: Cash crunch puts brake on India's cotton exports; rivals to gain
6	Rethinking trade policy and protectionism in the Trump era
7	Italy favours FTA with Pakistan
8	Pakistan's 2016-17 cotton output surpasses last season
9	Technology to drive Bangladesh RMG sector's growth
10	Bangladesh urge Malaysian govt to award duty-free access for its products
NATIONAL NEWS	
1	GST to create level-playing field for bigger textile players
2	Cotton prices ruling high on subdued arrivals
3	Demonetisation: Textile firms lay off 10,000 workers
4	Traders to intensify adoption of digital payments
5	Ujwal Lahoti appointed as new chairman of TEXPROCIL
6	Kerala govt invites Andhra Pradesh, Telangana buyers to attend B2B meet
7	Knitwear sector awaits credit policy
8	Robots to take our 'jobs'. For India what matters is not technological unemployment but unemployability

INTERNATIONAL NEWS

Despite TPP Limbo, Vietnam Strengthens Position in US Market

Regardless of TPP's future, Vietnam continues to strengthen its hold on the U.S. apparel market. Though still the number two source after China, it has gained the most share of any top 10 apparel trading partners, and is on track to ship a record amount of apparel to the U.S. this year.

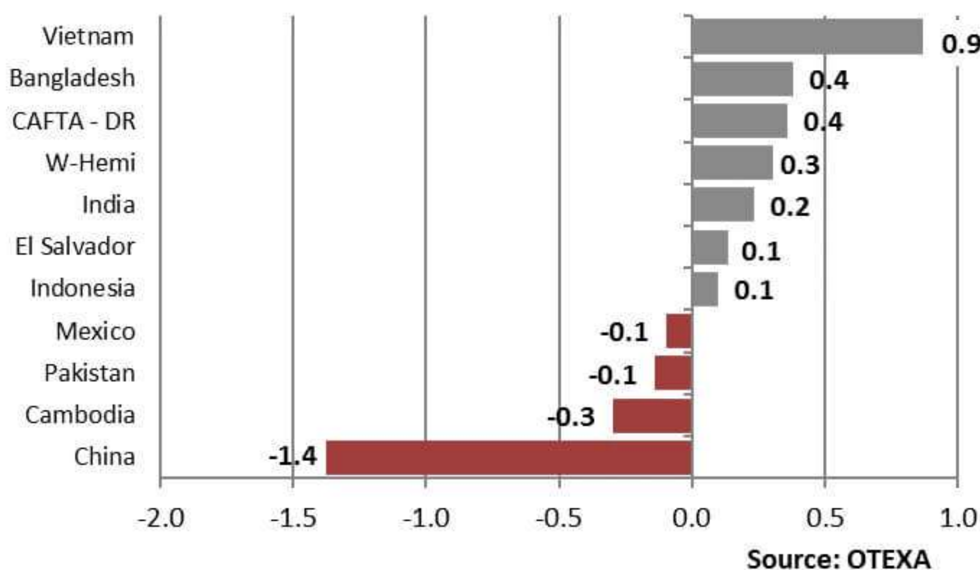
U.S. apparel imports are down 5 percent on a dollar basis for the first three quarters of 2016, according to the most recent data from OTEXA, the International Trade Administration's Office of Textiles and Apparel, an indication that brands and retailers began the all-important selling season with tighter inventories and, hopefully, will demonstrate less reliance on heavy promotions to stimulate sales.



Total year-to-date apparel imports were $61.6 billion through September, down from $64.8 billion in the year-earlier period. Last year, imports for the nine months ended Sept. 30 were 4.7% higher than those of the previous year's period.

On a square meter equivalent (SME) basis, 2016 year-to-date imports fell by 1.6%, indicating a continuing shift toward lower-cost goods compared to the prior year. The cost per SME has dropped by 3.5% so far this year.

Though still the number two source of U.S. apparel imports after China with 13 percent of U.S. apparel import share, Vietnam has gained 1.7 percentage points of U.S. apparel import share, representing 13.7% of total imports, or $8.2 billion.



Most of this gain has been China's loss. Though still the largest source of U.S. apparel imports with a 35 percent share, Chinas has lost 1.4 percentage points of U.S. apparel imports in the first nine months of 2016, with its year-to-date apparel shipments to the U.S. totaling $21.2 billion, down 8.6% from the same period last year.

Apparel imports from Cambodia and Pakistan have dropped the most of any top 10 trading partner so far this year, down 14.4% and 12.7%, respectively.

Imports from CAFTA-DR have picked up nicely in 2016, gaining 0.4 percentage points of share, thanks to an increase in near-shoring that has benefitted El Salvador, Guatemala, Honduras and Nicaragua, all of whom have enjoyed an above-average uptick in apparel exports to the U.S.

Bangladesh, which has edged ahead of Indonesia as the third largest apparel trading partner, has seen its business with the U.S. increase to $4.1 billion this year, due to market gains by fast fashion brands.

Apparel Imports: YTD September 2016					
MM Dollars and Units					
APPAREL	**Dollars**	**SME**	**% Chg**	**% Chg**	**% Chg**
	Millions	**Millions**	**Dollars**	**SME**	**$/SME**
World	**61,642**	**20,418**	**-5.0**	**-1.6**	**-3.5**
China	21,253	2,505	-8.6	5.2	-13.1
Vietnam	8,178	2,505	1.6	5.2	-3.4
Bangladesh	4,173	1,455	0.6	1.5	-0.8
Indonesia	3,633	970	-3.4	1.0	-4.4
India	2,877	815	-0.1	2.0	-2.0
Mexico	2,517	676	-7.2	-2.3	-5.0
Cambodia	1,644	698	-14.4	-14.5	0.0
Honduras	1,930	809	-4.1	-3.3	-0.8
Pakistan	959	406	-12.7	-9.4	-3.7
El Salvador	1,481	630	0.6	3.4	-2.7
CBI	657	261	-2.6	2.7	-5.1
CAFTA - DR	6,189	2,336	-1.5	2.0	-3.5
W-Hemi	10,393	3,379	-3.2	1.0	-4.2
ASEAN	15,297	4,730	-3.4	-1.1	-2.3
OECD	2,338.19	207	-3.2	0.8	-4.0
rest of world	*12,997*	*8949*	*-4.2*	*-4.7*	*0.4*

Indonesia's apparel shipments to the U.S. are down by 3.4% so far this year, giving it a 6 percent share.

Other countries enjoying rapid growth in apparel trade with the U.S. in 2016 include Turkey, up 6 percent to $360 million, Madagascar, up 126 percent to $74 million, and Burma (Myanmar), up 97 percent to $53 million.

Source: sourcingjournalonline.com– Dec 05, 2016

HOME

****

USA: Apparel Retail Sales Underperform Industry in October

Traditional apparel retailers continued to turn in lackluster sales growth in October.

According to the U.S. Census Bureau's advance monthly report released last week, total retail sales, which include gasoline, groceries and automobiles, were $465.9 billion last month—an impressive 4.3% increase over October 2015's $446.7 billion. On a 12-month smoothed basis, sales rose 5.4%.

Automobile sales were a key driver, so to speak. Sales at automobile dealers and parts stores increased 8.4% on a smoothed basis, to $96.8 billion.

Traditional apparel channels failed to participate in the uptick, however. Although clothing and accessories store sales edged ahead by 2.3% to $21.6 billion, those at department, chain and discount stores fell by a dramatic 7.3% to $12.7 billion, bringing down the collective channel total, a reliable barometer of apparel retail sales, by 1.5% to $34.2 billion from $34.7 billion a year ago. Unseasonably warm weather in key parts of the country and unease over the polarizing election season shared part of the blame.

Non-store retail sales, most of which is e-commerce, rose a staggering 12.9% over the same month last year, to $48.2 billion. Though growth has slowed in the sector in the past few months, most industry pundits expect e-commerce to continue to grab share from brick-and-mortar.

Retail Sales & Inventory					
$MM – Adjusted for Seasonality					
	Oct-16	**Sep-16**	**Oct-15**	***Y-O-Y%***	***M-O-M%***
Total US Retail Sales	465,914	462,106	446,708	4.3	0.8
Dept., Chain and Disc. Store Sale	12,663	12,748	13,659	-7.3	-0.7
Apparel Specialty Stores	21,550	21,430	21,071	2.3	0.6
Total Dept & Specialty	34,213	34,178	34,730	-1.5	0.1
Non-Store Retail	48,242	47,524	42,737	12.9	1.5
	Sep-16	**Aug-16**	**Sep-15**	***Y-O-Y%***	***M-O-M%***
Women's Specialty Sales	3,427	3,459	3,446	-0.6	-0.9
Men's Specialty Sales	726	722	717	1.3	0.6
Shoe Store Sales	2,898	2,930	2,847	1.8	-1.1
Total Retail Inventory	607,205	605,873	584,256	3.9	0.2
Dept Store Inventory	27,054	27,267	29,059	-6.9	-0.8
Apparel Specialty Inv	53,839	53,875	53,287	1.0	-0.1
Dept & Spec Inv:Sales	2.51	2.52	2.51	0.0	0.0

The National Retail Federation expects 2016 Holiday sales to rise 3.6% to $655.8 billion, which could be encouraging news for apparel retailers, whose November and December sales typically represent between 21 percent and 24 percent of their annual business.

Source: sourcingjournalonline.com– Dec 05, 2016

HOME

****

Overseas E-commerce Sales Lead China's Retail Boom

Move over brick-and-mortar; the largest e-commerce market in the world is open for business.

Increasingly, Chinese consumers are hungry for international goods—and they're shopping for them online. According to a new report from Fung Global Retail & Technology, cross-border e-commerce is the next boom to boost online sales—and it could provide an easier entree into the market than physical stores.

"By selling through [cross border e-commerce], international retailers can reach Chinese shoppers regardless of whether the retailers have a physical presence in China," said Deborah Weinswig, managing director of Fung Global Retail & Technology

The report, entitled "International Retailers' Guide to Cross-Border E-Commerce in China," states cross-border e-commerce (CBEC) volumes grew by 39 percent in 2015, despite a 13 percent decline in physical imports over the same period. And the trend is expected to continue.

Online imports in China are expected to hit $245 billion by 2020, according to findings by Accenture and AliResearch. If these projections prove accurate, China will be the largest cross-border B2C market.

The biggest driver behind this push? The country's rising middle class.

In addition to having more disposable income, these consumers are more sophisticated, aware of international brands and tech savvy, the report claims. A recent McKinsey & Company survey even suggests these shoppers are looking for pricey goods and those that are elusive in their home country.

While these shoppers may be willing to splash out on better products, they don't want to be overcharged. Hence the turn to online.

Just as they've always purchased luxury goods abroad to skirt hefty price tags weighed down by import duties, shopping online from overseas merchants allows them to sidestep those inflated prices. The price difference, according to the Fortune Character Group, can be between 20 percent and 30 percent. That's reason enough to click and ship even with the newly instituted sales tax on goods purchased online from overseas.

In addition to price, the report cites Chinese consumers' higher confidence in the authenticity and quality of goods purchased from an overseas company. The government is providing additional assurances by placing more regulations on counterfeits and easing customs clearance for overseas goods. According to the Boston Consulting Group, a quarter of China's population will shop either directly on foreign sites or through third parties in 2020, up from 15 percent in 2016.

But before a brand can tap into this sought-after consumer base, it must devise a strategy for getting up and running. Just like with a physical store launch, planning could mean the difference between success and failure.

Options include working with a third-party, selling through a distributor or selling directly from the brand's own site using transnational logistics for delivery. Third-party providers, in particular, are attractive to sellers like Macy's and Shiseido because they specialize in cross-border e-commerce and allow brands to open storefronts they can manage themselves.

Platforms like this, including Alibaba's TMall Global, are attractive to shoppers as well because they provide added security and service, like policing of illegal goods. Alibaba alone attracts 440 million active users shopping the millions of businesses on the site, according to Forbes.

"In order to succeed in the Chinese market, international retailers are advised to have a strategic plan for CBEC which complements their existing China strategy," Weinswig said. "International retailers will need to decide which cross-border channels to sell on, driven by considerations of each platform's targeted clientele and product category, costs, track record and suite of value-added services."

Source: sourcingjournalonline.com– Dec 05, 2016

HOME

****

Korea eyes cooperation in Pakistan's energy, infrastructure

South Korean Ambassador Suh Dong-gu has expressed his country's keenness to further enhance cooperation with Pakistan in hydroelectric power generation, infrastructure development and other sectors since Pakistan is a rising economy.

Suh was talking to the business community at the Islamabad Chamber of Commerce and Industry (ICCI) on Friday.

He said some Korean companies had already completed two to three hydroelectric power projects and were participating in the construction of a few more projects in Pakistan.

He said Korean companies were also cooperating with Pakistan in infrastructure development including the building of Loweri Tunnel which would be completed by the middle of next year.

The ambassador also pointed out that Pakistan and Korea were in the process of negotiating a free trade agreement. “Feasibility studies have been completed and both countries are now preparing recommendations,” he said.

He believed the FTA would bring a paradigm shift in bilateral trade and provide better market access to Pakistani products in Korea.

For the past few years, Pakistan’s exports to Korea had been on the decline and the envoy stressed that Islamabad should focus on value-added products to improve trade volumes.

He announced that Korea was willing to cooperate with Pakistan in the China-Pakistan Economic Corridor (CPEC) projects by providing heavy construction equipment and machinery.

Welcoming the envoy, ICCI President Khalid Iqbal Malik said bilateral trade of around $1.2 billion was dismal and emphasised that both countries should focus on improving it.

He said the trade balance was heavily tilted in favour of Korea, which should provide easy market access to Pakistani products for a better balance.

Malik added that Korea’s annual imports were around $500 billion with 60% raw material, 30% plants and machinery and 10% customer goods like fruits, automobiles, textile and clothing.

Pakistan, he said, had the potential to meet Korea’s needs for raw material, fruits, textiles and garments.

Source: tribune.com.pk - Dec 05, 2016

HOME

****

Pakistan: Cash crunch puts brake on India's cotton exports; rivals to gain

Exports of 1 million bales of cotton from top producer India have been delayed after a government move to ban high-value currency notes prompted farmers, who prefer cash payments, to postpone sales, industry officials told Reuters.

The supply crunch has driven up prices in India to levels higher than in the global market and could force buyers to switch to other producers like the United States, Brazil and African countries. It could also curb India's total exports in the 2016/17 year marketing year that started on October 1.

"Supplies are very limited in the market. Farmers are not selling cotton right now as they need payments in cash and it is not available," said Chirag Patel, chief executive officer of Indian exporter Jaydeep Cotton Fibers.

Earlier this month, Prime Minister Narendra Modi scrapped 500 rupee and 1,000 rupee bills to crack down on corruption. But the move disrupted trading of farm commodities like cotton and soybean as most farmers prefer payments in cash.

"November remains a peak supply month but now supplies have stopped due to the cash crunch. We are ready to give farmers cheque, but they are insisting on cash," said Pradeep Jain, a ginner based in Jalgaon in the western state of Maharashtra. Expecting a bumper crop of 35 million bales, Indian traders had contracted 2 million bales for exports to China, Vietnam, Bangladesh and Pakistan for shipments in November to January.

But traders have managed to ship only around 300,000 bales and nearly 1 million bales that were due to ship in November and December are getting elayed, three exporters told Reuters.

India's inability to ship promptly could force buyers to switch to other suppliers like Brazil and the United State, said Keith Brown, principal at cotton brokers Keith Brown and Co in Moultrie, Georgia. "In fact, this may be one reason why US cotton is going higher at harvest time."

New York cotton futures last week touched a high of 72.75 cents per pound, the loftiest since August.

They have risen about 5 percent over the past fortnight, versus a 10 percent gain in Indian prices. The surge in local prices is also making signing new export deals difficult for India as overseas prices are lower than local prices, Jaydeep Cotton's Patel said.

The disruption in exports will have an impact on global prices as it reduces the overall supply, said Rebecca Pandolph, statistician of International Cotton Advisory Committee. "How much of an effect will depend on how long the situation lasts."

Source: brecorder.com - Dec 06, 2016

HOME

****

Rethinking trade policy and protectionism in the Trump era

What kind of trade policy will the United States have under President Donald Trump? This is a hot issue, as Trump has made unorthodox pronouncements on trade issues during and after the election campaign. If he acts on even some of the positions he took, it will create a sea change in trade policy in the US and possibly the world.

Trump has recently emphasised that he will take the US out of the Trans Pacific Partnership Agreement (TPPA) on his first day of office, and renegotiate the North American Free Trade Agreement (NAFTA).

He called them a disaster for the US. He was probably referring to the claim that many of manufacturing jobs lost in the US in recent years were due to free trade agreements (FTAs) and the overseas relocation of US companies. He is also probably blaming trade agreements for the US' huge trade deficits.

Most economists however have a different view. They attribute US job losses mainly to technological change. There are legitimate fears that Trump's "Put America First" slogan, when applied to trade, will lead to an increase in trade protectionism.

Trump has threatened to raise tariffs on products from China and Mexico by as much as 45%. Trump in his campaign accused China of being a "currency manipulator". If a country is so labelled by the Treasury

Department it could be grounds under US law to slap extra tariffs on its products.

President Obama came under pressure from many Congress members and economists to do just that, but he smartly resisted as he realised it would trigger a very nasty trade war with China.

It is possible Trump will also climb down from this populist stance once he is President. For a start, China's currency is not under-valued and currently its government is trying to prevent (not encourage) its currency from further sliding.

Secondly, taking trade action against China on currency grounds would be against the rules of WTO, and China should be able to successfully take a WTO case against the US for any such action.

Finally, China has warned it will retaliate if the US were to take protectionist actions. An article in the Beijing-based Global Times spelled out how the country would cancel its orders of Boeing aircraft, restrict US auto and I-phone sales in China and halt US soybean and maize imports, while a number of US industries would be impaired.

But if an across-the-board tariff hike is out of the question, the Trump administration is likely to consider taking more trade-remedy action on a range of products from China and other countries by claiming they are being dumped or unfairly subsidised.

There are loopholes in the WTO rules on trade remedies which have made these a favourite protectionist tool. A country can slap on high tariffs against an imported good from another country by claiming its price is artificially low because it has been "dumped" (exported at a price lower than the domestic price) or unfairly subsidised by the state.

But if the exporting country complains and a WTO panel rules that the actions were wrongly taken, there is no penalty imposed against the offending country which is only asked to lift the tariff. Meanwhile the aggrieved country has lost many years of export earnings. Moreover, the same actions can again be taken against the same country, thus perpetuating the protection.

We may see a rise in such trade-remedy actions under President Trump, especially if he is counselled against taking the more blatant route of imposing an all-out tariff wall.

But we can also expect tit-for-tat counter-action of the same type by the affected countries, in a global spiral of protectionism. That will be in nobody's interest.

The new Trump presidency is also expected to usher in a major change in how the US (and eventually many other countries) will perceive free trade agreements. Trump's objection to the TTPA and NAFTA seems to be based on the issue of goods trade, that the template of these agreements seems to favour the exports of the partner countries at the expense of the US.

Trump said he would instead "negotiate fair bilateral deals that bring jobs and industry back." This appears to be neo-mercantilist and against the free-trade principle, but it is this kind of "America-first" populism that helped propel him to power.

If the new US policy moves in this direction, what is to prevent other countries from doing likewise? "Free trade" or "fair trade" will be interpreted by each country in ways that favour it, and many of the present rules will have to be set aside.

However the FTAs are much more than trade, and they became unpopular with the public in the US and elsewhere not only because of the threat of cheap imports taking over the market of local producers, but also because of the non-trade issues that are embedded in most recent FTAs, including FTAs between developed countries, and those between developed and developing countries.

One of these issues include investment rules aimed at liberalising foreign investment and financial flows, with an especially controversial section that gives rights to foreign investors to take cases and make claims against the host government in an international tribunal.

Another issue is the strengthening of intellectual property rules that favour multinational companies at the expense of local consumers. A most unpopular effect is a tremendous rise in the cost of some patented

medicines through the additional curbing of competition from cheaper generic drugs.

Other issues include the opening up government procurement to foreign firms on a national-treatment basis, thus reducing the share of local businesses in this huge sector; the liberalisation of the services sectors, which for some countries may affect the cost of basic services that are normally performed by the public sector; and, in the most recent FTAs, the establishment of new rules overseeing the policies and behaviour of state-owned enterprises.

The structure of this kind of North-South FTAs is mainly unfavourable to developing countries in general. While a developing country can get some benefits on the trade component through better market access to the developed country, the non-trade issues are usually against their interests as the developed countries are far stronger and have the upper hand in the areas of investment, intellectual property, services and procurement.

However, civil society groups in the developed countries also find the non-trade issues against the public interest. For example, the investor-state dispute system undermines the ability of these countries to set their own environmental or health policies, and the tighter intellectual property rules impede access to medicines and knowledge in these advanced countries as well.

Through the recent FTAs, sensitive areas and issues that were previously under the purview of the national government are now subjected to new and intrusive rules that cramp the space that countries (whether in the South or North) normally have to set their own policies.

Both the trade and non-trade issues have made the “trade agreements” highly controversial. Civil society groups in developing countries have been expressing their concerns that the public interest and national sovereignty are being undermined.

At the same time, the public in developed countries, including in the US, Europe, Canada, Australia, New Zealand and Japan, have become disillusioned and even outraged by the effects of the FTAs their governments signed or proposed.

The anti-FTA movement became so strong in the US that it helped boost the unexpectedly good showing by Bernie Sanders in the Democratic primaries, pressurised Hillary Clinton to pledge her opposition to the TPP, and enabled Trump to ride on and add to the "anti-trade" emotions in his campaign.

The heightened focus on trade policy during and after the US elections is a good time to review what works and what does not work for the public interest in trade agreements. It is becoming clear that trade agreements have become overloaded with many issues that do not belong to an agreement originally designed for trade in goods.

For example, there is a history and logic to the "non-discrimination" and "national treatment" principles established for trade in goods among countries, and even then there is a debate on the conditions under which the application of these principles bring about mutual benefits in trade.

The same principles and template are often inappropriate when applied to non-trade issues for which they were not designed. Creating rules based on these principles and including them in trade agreements can lead to imbalances and unequal outcomes among the partners, and even adverse consequences for all the partners.

However in recent years the scope of trade agreements has grown to include more and more issues, to which the original trade principles have been applied, leading to more and more contention and unpopularity.

The overloaded agenda in FTAs gives trade a bad name, with people being confused between trade, trade policy and trade agreements.

Many people who are disgruntled with trade agreements also become unhappy with trade per se, and the benefits that trade can bring get mixed up with and overwhelmed by the contentious non-trade issues, and trade ends up being condemned as well.

It is important, at this moment of an imminent Trump presidency, to clarify the difference between trade and trade agreements, and to review the whole issue of trade policy.

A good outcome would be to design new agreements that are mutually beneficial in the trade aspect to all partners, whilst removing the controversial non-trade issues from the agenda. And this could be part of a broader pro-development trade agenda.

But this is not likely to be the new agreements being envisaged by the Trump team. The danger is that these may be even worse than the existing ones.

We risk entering a new era where the US, and maybe some other developed countries as well, are tempted to promote extreme trade protectionism, whilst retaining or expanding the unpopular non-trade issues in the trade agenda because it is in the interest of their corporations.

We might end up with a new type of "America first" agreements, in which a Trump administration ensures that the US can curb imports whilst championing its exports, thus reducing the trade benefits to its partners; while at the same time strengthening the rules in non-trade issues like intellectual property and liberalising financial services that favour US corporations but are against the partners' interests.

That would be the worst of both worlds, at least for developing countries.

It is thus crucial for policy makers and thinkers in developing countries to rethink what kind of trade is good for their economies, what kind of trade policy would correspond to that positive trade performance, and what kind of trade agreements would be good to have and which types should be avoided.

It is also time to rethink the role of the World Trade Organisation and reaffirm the priority of developing a balanced and pro-development multilateral trading system. If (and that is a big if) the WTO could evolve into such an ideal system, there would be no need or less need for bilateral trade agreements.

Source: ipsnews.net - Dec 05, 2016

HOME

****

Italy favours FTA with Pakistan

Pakistan and Italy have identified areas of cooperation to have greater economic and commercial exchanges for mutual benefit.

At the conclusion of a meeting of the Pakistan-Italy Joint Economic Commission on Monday, Italy's Deputy Minister for Economic Development Ivan Scalfarotto told newsmen his country is in favour of free trade with Pakistan under the umbrella of the European Union (EU).

He said Italy wants to increase bilateral trade with Pakistan, adding that the China-Pakistan Economic Corridor (CPEC) will enhance global connectivity. Italian companies involved in communications and construction have ample opportunities to take part in the CPEC, he said.

Parliamentary Secretary for Finance and Economic Affairs Rana Muhammad Afzal Khan stated that Italian companies can make investments in energy, agriculture, textile, marble and infrastructure projects.

The volume of bilateral trade, which is currently $1.4 billion, will be enhanced to $1.8bn next year, he said, adding that Italy supported Pakistan in getting the GSP-Plus status.

The joint commission meeting took place after 10 years. The last session was held in Rome in March 2006.

Meanwhile, the Pakistan-Italy Business and Investment Forum will take place on Tuesday (today) to explore ways to enhance trade and economic relations between the two countries. Mr Scalfarotto will lead a delegation of businessmen for a meeting with the Pakistani business community.

Italy is a major trading partner of Pakistan. It is Pakistan's largest export destination within the EU after the United Kingdom and Germany.

Pakistani exports to Italy consist of textiles, clothing and leather apparel. Around 90 per cent of Pakistan's exports to Italy are textile- and leather-related products and almost half of Italy's exports to Pakistan fall in the category of machinery and equipment.

Source: dawn.com - Dec 05, 2016

HOME

****

Pakistan's 2016-17 cotton output surpasses last season

Cotton output in Pakistan during 2016-17 season has already surpassed the total amount produced in the previous season. Ginneries in Pakistan have received 9.778 million bales of cotton by December 1, 2016, compared to the total arrival of 9.768 million bales in the previous season, according to the Pakistan Cotton Ginners' Association (PCGA).

By December 1, 2016, cotton received at ginneries in Pakistan show an 13.28 per cent year-on-year increase over arrival of 8.631 million bales during the corresponding period of last season, according to the fortnightly report on cotton arrivals, prepared by the PCGA, in joint cooperation with All Pakistan Textile Mills Association (APTMA) and the Karachi Cotton Association (KCA).

In the major cotton producing province of Punjab, total cotton arrivals increased by 20.69 per cent year-on-year to 6.158 million bales, according to the data. While in Sindh province, cotton arrivals increased 2.57 per cent to 3.619 million bales as on December 1 during the ongoing cotton season 2016-17.

Of the total arrival of 9.778 million bales at various ginneries in Pakistan, 8.900 million bales were pressed by ginners, of which 7.868 million bales were sold, leaving an unsold stock of 1.031 million bales with the ginners, as on December 1.

The textile mills in Pakistan consumed 7.683 million bales, while another 184,944 bales of cotton were sold to exporters, according to the data. The Trading Corporation of Pakistan (TCP) has not procured any bale of cotton so far this season.

As of December 1, a total of 566 ginning factories were operational in Punjab compared to 691 ginneries that were operational during the same time last season. Similarly, 222 ginning units were operational in the Sindh region, compared to 228 operating units during the corresponding period last year.

In 2015-16 cotton season, Pakistan's cotton output decreased by 34.28 per cent to 9.768 million bales, compared to the previous season's production of 14.871 million bales

Source: fibre2fashion.com - Dec 05, 2016

HOME

****

Technology to drive Bangladesh RMG sector's growth

The readymade garment (RMG) of Bangladesh will be driven by technology and will have competitive advantage over other regions, said speakers at a seminar recently held in Dhaka. New techniques of management and human resource development are also required to further improve the scope of the RMG sector, said Shahriar Alam, state minister of foreign affairs.

PricewaterhouseCoopers (PwC) Bangladesh Pvt. Ltd. organised the seminar titled 'Taking Bangladesh Apparel Sector Forward' and invited Alam as the chief guest.

"All our factories have been made compliant in the recent past. The global market is expanding and Bangladesh needs to diversify our products and markets and lead the garments sector," said Alam.

"Achievements in the RMG sector of Bangladesh are example to many countries of the world and they have been trying to reach this position.

Bangladesh RMG sector has scopes to improve further by applying new techniques of management, human resource development and using the latest technologies and these are essential for achieving the target of $50 billion export earnings from this sector by 2021," continued Alam.

Industry leaders participating in the seminar opined that technology will be the key enabler to help increase productivity in Bangladesh's labour intensive RMG sector.

It would need to innovate to remain competitive as countries like Africa and Myanmar enter the RMG mix. Access to finance and financial tools will also is the key to drive the sector's growth.

Technology investments need to be increased in businesses as the sector is responsible for up to 80 per cent of the nation's overall export revenue and provides employment to over 4.5 million people.

"The sector must focus on how business process reengineering and resource optimisation can create strategic efficiencies. As newer risks evolve, the RMG sector will have to look at ways to ensure the safety and long-term sustainability of this precious industry," said Mamun Rashid, managing partner, PwC Bangladesh.

Moinuddin Ahmed, acting president of Bangladesh garment manufacturers and exporters association (BGMEA), Atiqul Islam, immediate past president, BGMEA & director, Islam Garments Ltd., and Syed A Tanveer, director, Pacific Jeans Limited also participated in the seminar and shared their views and visions for the RMG sector of Bangladesh for a global success.

Source: fibre2fashion.com - Dec 05, 2016

HOME

****

Bangladesh urge Malaysian govt to award duty-free access for its products

Commerce Minister Tofail Ahmed, addressing the inaugural session of the Bangladesh Trade and Investment Summit 2016 in Kuala Lumpur requested the Malaysian government to award duty free market access for its products to boost trade ties between the two countries. As the trade balance between Bangladesh and Malaysia is always in favour of Malaysia.

The Commerce Minister called upon the Malaysian investors to undertake new investment ventures in fast growing manufacturing, services and infrastructure sectors.

Relocation of labour-intensive industries in the textile and accessories, agro-processing industries and other Small and Medium Industries from Malaysia might be the most promising options.

Malaysia and Bangladesh stand as natural allies. Closer cooperation In investment and trade between the two countries would bring immense impact on the development of their economies.

The Commerce Minister said that the present government has undertaken an initiative to designate 100 Economic Zones throughout the country, where as of now 22 zones are selected where 19 are in the public sector and 3 are in the private sector. Malaysia can take the advantage of this opportunity and select an Economic Zone for Malaysian business.

Bangladesh is encouraging foreign investment and investors are welcomed to benefit from the incentives provided by Bangladesh. Bangladesh is becoming a regional hub where activities relating to assembling, manufacturing, trading and services are gaining prominence. The Board of Investment (BOI) and Bangladesh Export Processing Zones (BEPZA) are also providing institutional support services to the prospective investors.

Bangladesh has also been moving fast to undertake restructured reforms to create most friendly business environment under a market driven economy, with the major thrust coming from the private sector.

Tofail said that they strongly believe there are potential of more Bangladeshi products for Malaysian market. Bangladeshi Commodities like raw jute & jute sacking, leather & leather goods and other products have better market prospect in Malaysia.

The Commerce Minister said Bangladesh is one of the most open economies in South Asia with an extensively liberalised trade and investment regime. "We've been vigorously pursuing a private sector driven export-led growth strategy."

The Malaysian Deputy Minister said that the proposed FTA would certainly add momentum to the current trade relations. It'll be mutually beneficial for more access to each other's markets for goods and services, and investment and removing barriers to doing business.

High Commissioner Shahidul Islam said that Malaysia is Bangladesh's important partner and laid emphasis on working together.

The event was supported by Bangladesh Economic Zones Authority (BEZA), Bangladesh Export Processing Zones Authority (BEPZA), Public Private Partnership Authority Bangladesh, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and High Commission of Malaysia in Bangladesh.

In 2014-2015, export from Bangladesh to Malaysia was US$ 140 million while import from Malaysia to Bangladesh was US$ 1.2 billion.

In 2015-2016, export from Bangladesh to Malaysia was US$ 190, which is an indication of a strong trade relation between the two countries.

Source: yarnsandfibers.com - Dec 05, 2016

HOME

****

NATIONAL NEWS

GST to create level-playing field for bigger textile players

The introduction of GST will help create a level-playing field for the bigger textile manufacturers as smaller or unorganised sector will not be able to use some of the current practices to keep themselves competitive, a senior industry official said today.

"The introduction of GST may not have any negative or positive impact for the textile industry in general. However, the consolidation of taxes will help create a level-playing field for the bigger textile manufacturers as smaller or unorganised sector will not be able to use some of the current practices to keep themselves competitive," Sintex Industries Group MD Rahul A Patel told reporters on the sidelines of India ITME 2016 event here.

Sintex aims to install one million spindles and has already become world's No 1 compact facility with over 3,00,000 spindles installed at their plant at Pipavav in Gujarat, Patel said.

The textile sector is one of the largest contributors to India's exports, accounting for approximately 11 per cent of the total outbound shipments.

India's overall textile exports during FY 2015-2016 stood at USD 40 billion and the industry size is expected to reach USD 223 billion by 2021.

The ongoing six-day India ITME 2016 exhibition provides a platform for joint ventures and collaborations between the stakeholders of textile industry in India and overseas.

Nearly 1,050 exhibitors from 38 countries are displaying state-of-the-art machines and technologies at the event.

Source: business-standard.com- Dec 05 2016

HOME

****

Cotton prices ruling high on subdued arrivals

Cotton prices across the country are ruling high on subdued arrivals. The lack of demand in the apparels industry has also impacted arrivals and although farmers are getting high prices, they are preferring to hold back because of the currency shortage in the market, top industry officials said.

Although the country has contracted some 6 lakh bales for export to countries including Bangladesh and Vietnam, traders are finding it difficult to meet contractual obligations because there is no kapas in the market, MM Chokalingam, Director, Marketing, Cotton Corporation of India (CCI) said.

“Prices are currently in the range of R5,200 per quintal while Minimum Support Prices are R4,160 per quintal. This is because some traders are still offering old currency notes to farmers. Some clarity will emerge by the month-end once the currency issue closes. Till then prices will continue to remain high,” he said.

According to him, cotton arrivals are presently in the range of 1.20 lakh bales across the country on a daily basis although there is no much consistency. Given the existing cotton prices, there is little need for the Corporation to go in for MSP operations, he said.

The international rates are higher by 4-6 cents than the domestic market but traders do not stand to gain since they are unable to supply cotton as per the contract, he pointed out.

Last year, Pakistan was the biggest exporter and had exported some 20 lakh bales from India. This time, however, because of the border tensions, cotton export to the country has been affected, industry people said. According to industry sources, Bangladesh has contracted some 2 lakh bales, China has contracted the same amount while Vietnam could export some 1 lakh bales from India.

Concerns were expressed in the industry that the supply crunch had driven up prices higher than international prices and since the traders are unable to meet obligations, buyers could look to other markets.

Last month, Prime Minister Narendra Modi had scrapped R500 and R1,000 notes but the move disrupted trading of farm commodities like cotton, soya as most farmers prefer payments in cash. With expectations of a bumper crop of some 350 lakh bales, Indian traders had contracted exports for some 6 lakh bales so far to Bangladesh, China, Vietnam and Pakistan but just 6 lakh bales. Last year, the country shipped some 69 lakh bales in export.

India is the world's largest producer of cotton and also the second largest exporter. The present cash crunch is leading to delays in sales of cotton and is creating shortages in the domestic market as well as reducing supplies to the global market, the International Cotton Advisory Committee (ICAC) said in its latest report.

Source: financialexpress.com - Dec 06, 2016

HOME

****

Demonetisation: Textile firms lay off 10,000 workers

The textile industry has laid off over 10,000 workers and units were forced to stay shut for up to four days in a week due to the liquidity crunch following the demonetisation of Rs 500 and Rs 1,000 currency notes, according to the Amritsar Textile Processor Association (ATPA). The production at processing units in Amritsar reduced to 25 per cent.

The textile sector was labour intensive, and close to 40 processing units in Amritsar help sustain over 700 warp knitting and textile weaving units in the region, said Krishna Kumar Sharma, president of ATPA, while addressing the media.

The shortage of the new currency notes, so many days after demonetisation is a management failure on the part of the Centre, said Sharma. He urged the government to ease the limitations imposed on the withdrawals of money from savings and current accounts.

Cash crunch has resulted in industries staying shut for four days a week and demonetisation has majorly affected MSME and small scale units by delivering their resourced to large-scale corporates, said Kamal Dalmia, president of Focal Point Industries Welfare Association.

According to Dalmia, the execution of the demonetisation policy has been disastrous for the public.

Source: fibre2fashion.com - Dec 05, 2016

HOME

****

Traders to intensify adoption of digital payments

Adoption of digital payments in their existing business format would be intensified by traders from all over India. This would be done in pursuance of the call made by prime minister Narendra Modi to adopt digital payments, and also as a preparatory step ahead of the implementation of GST, which has electronic payment as one of its core fundamental.

More than 300 trade leaders from 26 states attended a two-day 'Less Cash India Summit' in New Delhi, organised by the ?Confederation of All India Traders (CAIT).

Addressing the summit, department of industrial policy and promotion secretary Ramesh Abhishek emphasised that merchants and traders are at the forefront of demonetisation effort and called for meaningful engagement and incentives to aid businesses in digital adoption.

"The Government has been on the forefront of enabling a less cash economy.

The move to incentivise cashless transactions and drive acceptance through installation of point of sale (POS) machines, low cost acceptance infrastructure, and rationalisation of merchant discount rate will enable the movement further," he said.

"We are well aware that India is traditionally a cash-based economy, with the value of physical currency in circulation estimated to be over 11 per cent of GDP, highest in 16 years and within BRICS nations.

China has seen a steady decrease in the ratio over the last 16 years (now at roughly 9 per cent), with Russia to be at 9 per cent and Brazil to be at 3 per cent," said CAIT secretary general Praveen Khandelwal.

Only 10 per cent of population in India is involved in cashless transactions, compared to Sweden (97 per cent), Belgium (93 per cent), France (92 per cent), Canada (90 per cent) and UK 89 (per cent), according to CAIT research.

India has one of the lowest card swiping machine numbers per capita, worldwide. Data indicates it has some 690-odd terminals per ten lakh people. Even among emerging economies this is very low, with China having some 4,000 terminals per ten lakh people and Brazil having almost 33,000 terminals per ten lakh population.

To promote the adoption of electronic payments by the trading community, CAIT will organise over 150 seminars, conferences, round-tables and workshops in over 30 cities across different states reaching out to over 20 lakh traders, the traders body said.

Source: fibre2fashion.com– Dec 05, 2016

HOME

****

Ujwal Lahoti appointed as new chairman of TEXPROCIL

Cotton Textile Export Promotion Council (TEXPROCIL) has appointed of Ujwal R Lahoti as its new Chairman and K V Srinivasan as Vice Chairman.

"Ujwal R Lahoti has been appointed as Chairman of TEXPROCIL. Lahoti is the Executive Chairman of Lahoti Overseas Limited. He has taken the charge as Chairman -TEXPROCIL with effect from November 21, after the completion of the tenure of R K Dalmia, Senior President -Century Textiles & Industries Ltd," a statement issued here said.

K V Srinivasan has also been elected as Vice Chairman of the council. He is currently the Managing Director of Premier Mills in Coimbatore.

Source: indiatoday.in.com – Dec 05, 2016

HOME

****

Kerala govt invites Andhra Pradesh, Telangana buyers to attend B2B meet

A string of SME sectors, including food processing, handloom textiles and garments and traditional sectors like handicrafts and bamboo, will display their products during the meet.

The Kerala government has invited buyers from Andhra Pradesh and Telangana states to actively participate in Vyapar 2017, a three-day small and medium enterprises (SME) B2B meet, scheduled to be held in Kochi, about 200 kms from here, from February 2.

A string of SME sectors, including food processing, handloom textiles and garments, rubber, coir products, Ayurveda and herbal, electrical and electronics and traditional sectors like handicrafts and bamboo, will display their products during the meet, a release said here today.

The event provides a platform to the buyers for direct interactions and discussions with the participating manufacturers and sellers from Kerala.

As a prelude to the event, the Kerala State Department of Industries and Commerce held a promotional campaign among the buying community in Andhra Pradesh and Telangana regions.

The promotional meet was held in association with Federation of Indian Chambers of Commerce and Industry (FICCI) at Hotel Taj Deccan, Hyderabad, in November last, it said.

The meet was chaired by Director of Industries and Commerce, P M Francis IAS, CEO of Kerala Bureau of Industrial Promotion (K-BIP), V Rajagopal and Chairman of FICCI Telangana State Council, Devendra Surana.

A short film on Vyapar 2017 showcasing the strong SME manufacturing base in Kerala was also shown, it said.

“Kerala was the gateway of India in terms of maritime heritage of the country,” said Francis in his address, recalling the state’s rich maritime tradition with the ancient Greeks, Romans, Jews, Arabs, Chinese, Portuguese, Dutch, French and English.

He invited buyers in the Andhra and Telangana regions to actively participate in the Vyapar 2017 in Kochi in February.

Talking about Kerala's strength in various sectors and the event format for Vyapar 2017, Rajagopal pointed out that the Kerala Department of Industries and Commerce would provide local hospitality and accommodation to approved buyers during the event days.

Head of the FICCI Kerala State Council, Savio Mathew and Head of the FICCI Telangana State Council, Akhilesh Mahurkar also spoke on the occasion, the release added.

Source: indianexpress.com– Dec 06, 2016

HOME

****

Knitwear sector awaits credit policy

The monetary policy review by Reserve Bank of India this week, the first after demonetisation, is being eagerly awaited by the knitwear manufacturers.

They want to know whether the interest rates for loans would come down as suggested by authorities.

"The repurchase rate (the rate at which RBI lends to commercial banks) has to be brought down at least by 50 basis points to less than 5 per cent. More importantly, the RBI and other authorities should ensure that the commercial banks pass on such benefits to the end customers.

On most of the earlier occasions, the rate cuts by RBI was not effectively transmitted to the loan borrowers," said G.R. Senthilvel, secretary, Tirupur Exporters and Manufacturers Asociation.

The capital-intensive knitwear sector is already reeling under the cascading effects of currency crunch after demonetisation.

"Apparel manufacturers are facing lower demand in the market as the retailers have reduced the purchases due to currency crunch.

So, loans with soft interests are essential for the apparel production units to maintain inventory of raw materials for future production requirements," said S. Dhananjayan, a senior member of Institute of Chartered Accountants of India.

The knitwear manufacturers feel that a reduction in repurchase rates would put the sector back into the growth trajectory.

Source: thehindu.com– Dec 06, 2016

HOME

****

Robots to take our 'jobs'. For India what matters is not technological unemployment but unemployability

Martin Ford's Rise of the Robots: Technology and the Threat of a Jobless Future, a best seller in 2015, has continued to create apprehensions for new, young and aspiring job seekers in India due to threats of job destruction of modern technologies of automation and robotics (artificial intelligence). These technologies are obviously highly capital-intensive and have already made remarkable in-roads into manufacturing and customer-based services including telecommunications, transport, health, trade and hospitality. Will expansion of these technologies lead to a massive technological unemployment in India? Does such unemployment matter for design of current and future economic policies?

Lessons from the recent past

Apparently, in a globally competitive era, agents of productions and service-providers aim at maximisation of profits by achieving higher productivity and lower costs than their competitors. On the demand side, consumers have always welcomed new technologies if they provide goods and services at high quality and low price.

Modern technologies have decisively proven to strengthen the required competitiveness of the production agents, if their investible resources (including foreign investment) are sufficient and size and scale of production are viable and sustainable for such technology-adoptions.

In general, large-scale industries and enterprises with a strong export-orientation, or facing a stiff import competition in domestic markets, have always had and continue to have a first-mover advantage in adopting newer technologies.

Historically, this pattern of technology adoption has lead to technology gap between the size-class of industries and enterprises. Thus, incentives for technology upgradation and adoption by medium, small and micro enterprises have been the key elements in the policies and programmes at the national and state levels.

Given the fact that new technologies are generally neither relevant nor applicable/appropriate for all size-class of enterprises, there is a reason to be less apprehensive on their mass destruction of jobs. In fact, available recent estimates of employment elasticity are supportive for a positive productive employment generation.

For instance, the estimate of employment elasticity based on Population Census data (2001 to 2011) is 0.24, NSSO (1999-00 to 2011-12) is 0.19, Economic Census (1998-2004) is 0.41 and Annual Survey of Industries (2003-04 to 2012-13) is 0.54. Interestingly, organised manufacturing sector has shown the highest employment elasticity (i.e. 0.54), although it is presumed to be a major adopter of job-killing technologies!

Estimates of technological unemployment

Officially, no estimate of technological employment and unemployment is available in India because it is not estimable from the above sources of data. Certainly, such an estimate is a policy imperative to monitor the employment effects of economic policies. This calls for a revision in the data collection framework of the official agencies.

The most recent private estimate of technological unemployment was given by the HfS Future Workforce Impact Model, in July 2016, on India's IT services and BPO industry.

The projected shrinkage of workforce in this sector was 0.48 million. This is about 14% of the sector's current total workforce (3.5 million comprising 80% low skilled workers).

India's current total labour force (using the combined criterion of usual principal and subsidiary status employment) is estimated at about 476 million comprising about 25 million unemployed.

IT and BPO sector's employment is about 0.7% of the total workforce and projected job losses in the sector are about 2% of current size of total unemployment in India. However, this sector-specific estimate is unique and small. It should not be used to exaggerate the problem and create unrealistic apprehension in the minds of job-seekers because jobs are being generated elsewhere in the economy.

Jobs for our millions

Jobs for current stock of unemployed and annual addition new force (about 5 million) are our current targets of employment generation. In addition, the pattern of India's age structure transition may result in highest share of working age population (25-59 years) over the years up to 2050 and beyond.

For instance, using the United Nations population projection (The 2012 Revision: Medium Fertility Variant), total size of working population of India would be 817 million in 2050 (or 47% of total population of 1,736 million).

Jobs for these millions in the productive age group are essential to reap the demographic dividend or maximisation of growth effects of population age structure transition. Further, gainful employment is equally important for a long term reduction in poverty and inequality.

Employability

India has been partially experiencing the effects of modern technologies because they seem to be appropriate to enhance and strengthen global competitiveness.

Further applications of the modern technologies do require specialised skills and training for job seekers to be employable in select sectors. This can be met by improvement in employability of current and future working-age population.

This is a challenging task given that, of the current total labour force, about 88% have no tertiary education and about 90% are employed in unorganised sectors.

We must gladly acknowledge that the on-going "Make-in-India" programme does include few initiatives to enhance employability of job seekers in the manufacturing sector. Such initiatives of skill development deserve expansion to other sectors and lower educated job-seekers, otherwise, unemployment will persist and grow.

More so, unemployability and modern technologies cannot be blamed for unemployment. Thus, what matters for India is not technological unemployment but unemployability.

Source: financialexpress.com– Dec 06, 2016

HOME

****