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IBTEX No. 17 of 2017 Jan 21, 2017

USD 68.11 | EUR 72.89 | GBP 84.32 | JPY 0.59

Cotton Market Update (20-01-2017)

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

Rs./Bale	Rs./Candy	USD Cent/lb
19720	41250	**77.30**

Domestic Futures Price (Ex. Gin), March

Rs./Bale	Rs./Candy	USD Cent/lb
20530	42944	**80.47**

International Futures Price

NY ICE USD Cents/lb (March 2017)	72.69
ZCE Cotton: Yuan/MT (January 2017)	14,990
ZCE Cotton: USD Cents/lb	**85.47**
Cotlook A Index – Physical	**81.50**

Cotton & currency guide: Cotton price further advanced on Thursday's trading session. Shankar-6 variety cotton traded positive to Rs. 42,000 per candy equivalent value is approximately 78.60 cents/lb with prevailing exchange rate of 68.10 per one USD. In the similar lines the J-34 variety also advanced to Rs. 4500 per maund

Across India the arrivals stood at 142,000 bales lower from the last year including 30K from Gujarat and 55K from Maharastra. As per the market source domestic gins are said to be buying hand-to-mouth during any dip in the market, but farmers are not keen sellers owing to a persistent lack of liquidity. Many spinners appear to be only partly covered for their requirements throughout the first quarter

Overall we are witnessing a tighter scenario in Indian market keeping the cotton price elevated. Therefore, the effect is clearly visible on the futures market. The most active January future at MCX ended the session at Rs. 20160 while it had made an intraday high of Rs. 20250 levels. We believe market may remain sideways to higher. However, as said earlier in the report Rs. 20250 are a very strong resistance levels. By any means, if the price is breaking above the same may further advance towards Rs. 20400 levels. We believe due to almost near overbought zone the counter may remain steady on today's trading session

From the price perspective we expect the counter to trade in the range of Rs. 20250/20300 to Rs. 20000 per bale on today's trading session

From the global front the ICE active March contract ended the session a tad higher at 72.69 while the same is seen trading at 72.85 cents this morning. In the meanwhile Chinese cotton trades at ZCE have also advanced to trade at 15200 Yuan/MT. Overall we expect cotton price in the global market to trade steady while domestic cotton price may initially move higher while later on it may hold a mixed performance

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

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INTERNATIONAL NEWS

Cotton Industry Begins this year with Optimism

Higher production world over and increasing demand is the state of the cotton industry.

On the day of inauguration of the 45th President of the United States, cotton industry people gathered in Lubbock, USA for the Plains Cotton Growers' cotton meeting.

2016 has been phenomenal for cotton production in the High Plains of Texas and the production in this region is expected to be about 5.05 million billions. This will be the fourth largest cotton crop produced ever in the High Plains of Texas.

Technology adaptation and efficient production practices by the producers are some of the reasons for such high production. Australia is also having a good crop, so far.

While the cotton production is high around the globe, interest in cotton is also high among manufacturers. Mills are buying, stated one merchant who attended the meeting.

To a room full of stakeholders, "the crop has been phenomenal," stated Steve Verett, Executive Vice President of Plains Cotton Growers, Inc. No one would have anticipated such a crop in September, added Verett.

While production has been climbing up, cost of production is on the increase, which is a concern among producers.

With regard to sales, there is interest among global buyers for U. S. cotton. There has been good export sales this week, commented one exporter. The trend seemed to be that, with high production, demand is also high. Given this scenario, it is expected that cotton will trade in 68 to 70 cents range this year.

Source: textileintelligence.com– Jan 21, 2017

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Can Trump Stimulate US Apparel Manufacturing?

Whether it's the Republican's border adjustment tax or the President-elect's proposed import tariffs, change is coming to U.S. businesses.

One of the loudest—and most effective—rallying cries from Donald Trump's campaign was a call for more American jobs. This was followed by a Trump-brokered deal to save a plant owned by the Indiana-based Carrier air conditioning and Ford's decision to abandon its plan for factories in Mexico in favor of a larger workforce in Michigan.

And that's all well and good for cars and appliances, but the apparel industry says any vision of large-scale clothing manufacturing flourishing in the States is a mirage.

"The U.S. doesn't have the infrastructure for these industries," said Howard Kahn, executive chairman of Kahn Lucas girls' wear, which also owns Madame Alexander dolls. "Over 98 percent of apparel sold in this country is manufactured outside of this country, so is the fantasy for that much product to come back?"

Though he also doesn't see a massive factory repatriation, Tom Travis, managing partner of the Sandler, Travis & Rosenberg customs and trade law firm, does acknowledge there's opportunity on a smaller scale.

"In terms of pulling back apparel jobs here, there is a small stream of product that is coming back to the U.S. for business reasons," Travis said. "If you have successful SKUs that are selling fast, you might want quick response, so maybe making it here is worth the additional cost of labor and inputs."

Additional costs, though, is exactly what we can't afford, according to Bjorn Bengtsson, chief merchandising officer at Untuckit men's wear. The U.S. consumer has been spoiled; they expect rock-bottom prices.

Imagine, if a $69 shirt were suddenly $149. A consumer might buy one if they needed it, but they won't buy multiple garments. And that, Bengtsson said, is a big problem. "This country is based on consumption. The more people shop and consume in the U.S., the more we grow."

Therefore, he said, consumers are really the de facto heads of sourcing at every American clothing company. “The industry doesn’t determine [where we produce]. As long as product is valued by consumers at a certain price point, manufacturers have to follow consumers.”

In addition to infrastructure and price, U.S. apparel manufacturing would also require a qualified, motivated workforce. Unfortunately, the industry insiders we spoke to repeatedly referred, not a lack of workers, but to a lack of desire to do the specific jobs needed.

“How many kids coming out of college want to become sewing operators?” Kahn asked.

Charles Liberge, president of Jones & Vining, agreed that interest in the field has eroded—right along with our collective pride in Made in the USA—but he feels there’s still opportunity. “The challenge is how do we effectively train people and how do we make them feel that these are jobs worth having?” he asked. “There are millions of people who need jobs. If we do it right and build character around these kinds of jobs, we’ll have plenty of people to fill them.”

And his company needs those workers. Jones & Vining is one of the last to produce outsoles, midsoles and inserts domestically. About 28 percent of its products are produced here. The rest are made in China, Vietnam, Indonesia and Thailand.

“We see a trend, although small today and not yet in place, in manufacturing in the U.S. in footwear coming back in some way,” Liberge said. The company began aggressive investment in its factories in Lewiston, Maine and Walnut Ridge, Arkansas, two years ago, building in the capability to work with footwear companies that use robotics manufacturing.

“We’re trying to adapt to the market we’re in today as well as cautiously but optimistically look to the future.”

This kind of forward thinking is what Kahn would prefer to the protectionist measures he sees coming out of Washington.

“Our economy has evolved to the point that we should be looking at other things than the highly labor-intensive manufacturing jobs,” Kahn said, adding that developing countries now rely on these jobs to evolve their own economies. “We should be investing in technology and the future as opposed to the past.”

Kahn would like to see the government create incentives for things that look to the future like 3-D printing, which would make the U.S. competitive and also help solve our speed-to-market challenges. When it comes to textiles, he suggests funding techniques to make our textile production more eco-friendly.

For a company like Jones & Vining, which is committed to doing as much production in the States as possible, that type of action by the government would be most beneficial.

“The secret is going to be helping small to medium companies like us, who do $25 to $150 million, to invest in the U.S. It’s one thing to say companies will grow, but we all know [capital expenditure] dollars are hard to come by,” Liberge said. “It’s going to be important for the government to say these are the companies who can grow and have opportunity and can put people to work in the future and provide a multitude of options in which they can creatively finance that growth.”

Travis feels it’s the government’s responsibility, however. “That infrastructure is a private industry issue,” he said. “If the opportunity is here, they will build it.”

While Liberge understands that some of the proposed plans include tax breaks and the like, he feels only the big guys will benefit from them. “Helping the Fords and Carriers is all well and good, but long term they’re not going to be the growth of the middle class in the U.S.”

Source: sourcingjournalonline.com– Jan 19, 2017

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Pakistan: Textile exports fall to $6.156bln despite recovery in value-added sector

Textile exports fell 1.65 percent to $6.156 billion in the first half of the current fiscal year despite an improvement in export earnings from value-added sector, official data showed on Friday.

The Pakistan Bureau of Statistics (PBS) data showed that textile exports amounted to $6.259 billion in the corresponding period of the last fiscal year.

Textile value-added sector, accounting for more than half of the industry's foreign earnings, recorded a surge in exports during the July-December period of 2016/17. Knitwear exports inched up 0.17 percent to $1.193 billion. Bedwear fetched $1.043 billion in exports revenue, up 4.66 percent year-on-year. Readymade garments rose 5.87 percent to $1.101 billion.

In July-December 2016, cotton cloth exports fell 5.57 percent to $1.048 billion, while exports of raw cotton and cotton yarn decreased more than 49 and seven percent, respectively.

Analysts said the recently-announced Rs180 billion incentives package is likely to give a boost to flagging exports. The government announced the export incentives scheme for five export-oriented sectors, including textiles. The stimulus includes a score of rebates given that the exporters are able to increase exports by 10 percent in the second half of the current fiscal year.

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

Machinery imports surged 40.84 percent to $5.666 billion in July-December 2016/17, highest among all the importing heads. Infrastructure development has caught pace under the China-Pakistan Economic Corridor, while energy projects increased the need of power generation equipment.

Alone power generation import bill stood at $1.651 billion in the first half, a considerable 109 percent jump over the same period a year ago.

Imports of petroleum products showed upward trend, as the international oil prices started recovering. Oil imports increased 11.22 percent to $4.992 billion in the first six months of the current fiscal year of 2016/17. Food imports rose 9.04 percent to $2.864 billion. Imports under transport group increased 6.44 percent $1.407 billion.

In December, machinery imports bill stood at $1.032 billion, up 30.42 percent over the same month last year and 13.38 percent as compared to the preceding month.

Oil imports soared 45.84 percent to $0.916 billion in December 2016 over the same month a year ago and increased 2.11 percent over November 2016. Food imports increased 28.73 percent YoY and 2.39 percent MoM in December 2016.

Source: thenews.com.pk – Jan 21, 2017

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Pakistan, Turkey sixth round talks on FTA to be held in coming week

Pakistan and Turkey's sixth round of the negotiations on Free Trade Agreement (FTA) would be held through digital video meeting in coming week.

The agreement in this regard would be signed in coming months of April 2017.

Both the sides hold discussions on agreement on goods, services and on investment.

Pakistan's trade balance started decreasing at annual rate of 19 percent after that additional duties imposed by Turkey in 2011, said a senior official from Ministry of Commerce, while talking to APP here on Friday.

She said that Pakistan's exports declined from US $ 873 million in 2011 to $ 311 million in 2015 because of additional duties imposed by Turkey on its foreign imports on all countries including Pakistan.

The official said that Pakistan's major exports to Turkey are denim PET, ethanol, cotton yarn, fabric and rice, garments, leather, carpets, surgical instruments, sports good, chemicals.

Pakistan's major imports from Turkey are manmade textiles, towels, steel structure, tanning and plastic chemicals, processed milk and whey, she said.

Replying to a question, she said that additional tariff imposed by Turkey have a targeted impact on Pakistan's major exports, adding that Turkey levied additional duty on 1880 products as same as Pakistan's top 205 exports to turkey face additional duty.

She added that Pakistan imposed Regulatory Duty (RD) on 1312 products, Turkey has exports to Pakistan in 261 of products that face RD.

This constitutes 17 percent of Turkish imports into Pakistan.

"Before the additional duty imposed, Pakistan has positive trade balance with Turkey, and after the signing of new FTA with Turkey both the countries will have again the same positive trade balance.

Significant progress was made during the earlier negotiation on FTA between Pak-Turkey on all these agreements, the official said.

Source: brecorder.com – Jan 20, 2017

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First direct train service from China to the UK arrives in London

The first ever direct freight train from China to the UK has arrived to a fanfare in Barking, east London.

The train, carrying millions of pounds worth of socks, cloth, bags, and household goods, set off 18 days ago from the manufacturing city of Yiwu.

It has travelled more than 7,500 miles across seven countries and through the Channel Tunnel to reach London – where a crowd of politicians, journalists and excited residents greeted it.

There were also people dressed up as two colourful Chinese dragons entertaining the crowds before the train arrived just after 1pm. Leader of Barking and Dagenham Council, Cllr Darren Rodwell said: “This is great news for the borough and London.

“It’s a sign of Barking and Dagenham being at the epicentre of the capital’s eastward shift. You could say it’s the rising east meets the far East.”
The new weekly service is thought to be quicker than a container ship and half the price of air freight.

London is the 15th European city to be served by freight trains from China. The 34-carriage train reportedly contains £4 million of commodities coming directly from the factory floors of Yiwu, where over 60 per cent of the world’s Christmas goods are made or sold.

The eastern city is the source of countless items in most British homes.

Differing rail gauges in different countries means no single train can travel the whole route and the containers have to be reloaded at various stages.

The Chinese locomotive is named after a famous quote from the communist revolutionary leader Mao Zedong: “The east wind will prevail over the west wind.”

Source: businessinsider.com – Jan 20, 2017

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Why Colombia Will be Key to Sourcing in 2017

With technical textiles in high demand and Colombia increasingly equipped to produce them, 2017 will be an important year to turn to the country for sourcing.

Colombia has been known for its innovation in the apparel space and continuously develops new products, finishes and processes in line with global trends.

At the upcoming Colombiatex 2017 in Medellin, Colombia this Jan. 24-26, sun protective sportswear fabrics, eco fabrics made from recycled polyester, mosquito repellent fabrics and compression fabrics with nurturing properties for the skin will be just some of the products on display.

Sportswear is a key product for Colombia and most of the articles are made with Colombian raw materials. The country's product portfolio includes apparel for yoga, fitness, biking, mountain climbing and extreme sports.

Buyers often turn to Colombia for its expertise in denim too. The country offers sourcing and full package services in indigo fabrics and manufacturers there are heavily focused on research and process optimization, enabling ease of response and adaptation to the demands of the market.

Companies are steadily looking to build stronger partnerships with their suppliers to be better equipped to manage in a demanding market, and last year Colombia was the first country in Latin America to achieve the highest satisfaction rating from IMD World Competitiveness Online. Skilled labor is readily available in Colombia too.

Colombia stands out for its broad offer, added value and its competitiveness in technical textiles for the automotive, construction, uniforms, sports clothing and control industries, said Felipe Jaramillo, president of ProColombia, the country's export promotion agency.

"These products, and their important benefits, enter markets with which we have important commercial agreements, whereby there are opportunities for growth in exports," he said.

These agreements are especially vital at a time when the incoming U.S. administration is proposing new taxes on imports going into the U.S. Fortunately for Colombia, it enjoys duty free access to the U.S. market under a bilateral trade deal that, so far, isn't under threat of removal or renegotiation. Colombia's textile exports to the U.S. totaled $168.4 million between January and November 2016.

This FTA has Colombia well positioned for business as usual in spite of global trade changes.

"Colombia, as an already established fashion industry supplier to the U.S., will continue to explore and locate business opportunities in the country with the lead of Procolombia's team of advisors nationwide," Jaramillo said. Colombia will look to deepen its relationship with the U.S. in terms of export growth and employment generation in the coming years.

The country also has 12 other existing trade agreements, giving it preferential access to markets including the European Union, Canada and Mexico, and has deals under negotiation with Japan and Turkey.

Colombia's position and its proximity to the Panama Canal makes it a strategic connection between North and South America, and between the East Coast of the U.S. and Asia. In 2015, Colombia moved 2.4 million container units by sea and more than 980,000 tons of cargo by air.

Nearly 400 international buyers are expected to attend Colombiatex this month, and Colombia wants the show to complement the fashion system chain, offering both supplies and textiles during the main event and networking to connect buyers and suppliers at the show's first ever business networking event.

Source: sourcingjournalonline.com- Jan 20, 2017

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Bangladesh: Bangla apparel accessory exporters demand cash subsidies

Garment accessory exporters in Bangladesh are seeking cash incentives from the government to increase their exports. The issue was raised by Bangladesh Garment Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA) president Abdul Kader at the inauguration of the four-day 'Garments Accessories and Packaging Expo-2017'.

Kader said cash incentives are needed considering the contribution of the sector in overall exports from Bangladesh.

Bangladesh commerce minister Tofail Ahmed, who was the chief guest at the function, in response to the demand, said he would put up a proposal to the Finance Ministry, to offer cash incentives to apparel accessories exporters.

About 400 exhibitors from various countries including China, India, Turkey, Sri Lanka, Italy, Singapore, Japan, Germany, USA, UK, Vietnam, etc are displaying the latest collection of garment accessories and packaging like labels, zippers, tags, tapes, thread, ribbon, buttons, rivets, laces, hooks, transfer film, paper, ink etc.

Source: fibre2fashion.com - Jan 20, 2017

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NATIONAL NEWS

Budget 2017: Textile items should be kept under GST with the minimum possible tax slab

The textile chemicals market in India is projected to cross US$ 2.5 billion by 2021, on account of increasing industrialization, surging consumption of textiles in engineered products and rapidly rising awareness about the benefits of using textile chemicals.

Apart from this, rising disposable income and increasing living standards are expected to significantly augment demand for textile chemicals in India over the next five years. Government of India has been increasingly focusing on taking initiatives to make the country's textile industry more competent on the global landscape.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum.

Prime Minister Narendra Modi announced a war against black money and corruption. In an emboldened move, it was declared that the 500 and 1000 Rupee notes will no longer be legal tender from midnight, 8th November 2016. This measure was taken by the PM in an attempt to address the resolve against corruption, black money, terrorism and counterfeit notes. This move is expected to cleanse the formal economic system and discard black money at the same time.

One of the reasons that prompted the Government to demonetize Rs. 500 and Rs. 1000 notes is that their circulation was not in line with the Economic Growth. As per the Finance Ministry, during 2011-2016 periods, the circulation of all notes grew 40% but the circulation of Rs. 500 and Rs. 1000 notes went up by 76% and 109% respectively.

Relatively speaking, the economy has grown only by 30% which is way below the money circulation.

The sudden decline in money supply and simultaneous increase in bank deposits has adversely impacted consumption demand in the economy, though this is considered as a short term effect.

This may also have adverse impact on real estate and informal sectors thus leading to lower GDP growth.

After demonetization the industry is waiting for the budget 2017-18. This budget is going to be distinct in many aspects.It will be for the first time that Railway Budget will be combined with the General Union Budget. And for the first time, the Union Budget will be announced 1 month in advance on the 1st February, 2017.

The Indian economy was growing at a healthy pace of 7.6%, when the demonetization drive suddenly slowed down the pace of the economy. Liquidity issues are impacting businesses, especially FMCG Sector, Automobiles, Textile Sector and Real Estate where the cash transactions were dominant.

Let us look at the impact of this move on the pre budget expectations for textile industry in India.

Current Status of the sector

In the light of recent events occurring as a consequence of demonetization, consumer expenses have resulted in a slowdown in domestic demand for apparel and other end-products of textile industry. Textile industry being one of the most labor intensive industry have been facing the heat of this move.

The textile industry employs about 40 million workers and 60 million indirectly. India's overall textile exports during FY 2015-16 stood at US$ 40 billion.

Challenges and Opportunities

The RBI verdict of scrapping INR500 and INR1000 currency notes has received mixed responses from textile sector.

The organized textile sector has welcomed the decision as it would streamline the transaction system and would result in transparent business transaction with overseas traders.

The decision would increase the usage of electronic clearing system for making payments and would reduce the black transactions significantly. This move has reciprocated in the form of excess inventory accumulation.

On contrary, this decision is setback for unorganized textile sector of the country that is dependent on domestic market for revenue generation. Restriction of withdrawals from bank did impact the weekly payment to contractual workers in textile sector. Additionally, constraints on cash withdrawals negatively influenced the procurement of new cotton, yarns and fabric in India.

Crystal-gazing with respect to this year's budget

With the upcoming GST bill the positive impacts of GST on overall economic growth in the next few years and it has been stated that this would make the manufacturing sector more competitive. As far as the textile sector, being an essential item for the common man, textile items should be kept under GST with the minimum possible tax slab with the special rates.

Demonetization and cashless transactions are the initiatives of honorable Prime Minister of India and Smt. Smriti Irani, Union Textile Minister has encouraged digital payments in textile industry. Digital India Workshops have been coming up as an initiative to empower workers to make cashless money transactions using electronic devices and channels. These workshops are first of its kind organized in Indian textile industry.

The textile ministry is promoting cashless payment within the industry by encouraging textile workers, artisans and weavers to open bank accounts following the demonetization of high currency notes. More than 5 lakh workers have opened their accounts in the last month, and a large number of them belong to textile hubs like Tirupur, Bhiwandi and Surat.The government has urged textile units to go cashless on a priority basis by opening accounts and using unified payments interface (UPI). The ministry of textiles also set up over 900 camps across the country to open bank accounts.

As quoted by Textile commissioner Kavita Gupta that "the ministry aims to bring all textiles workers in India within the banking fold and enable them to use digital payment transfer apps in the next three months."

Although the Demonetization move has affected the cash flow of the textile industry and is likely to drive a constraint in the demand for the entire textile value-chain as stated in reports, but as the demand reverts back to a steady state over the next few months with expected improvement in liquidity, this impact will be neutralized.

Source: businesstoday.in- Jan 19, 2017

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TEA expects budget to upscale textile skill industry

The Tiruppur Exporters' Association (TEA) has requested the Central government to upscale the textile skill industry of Tiruppur with the upcoming Union Budget 2017-18. Budget should carry a provision for one-time intervention targeted at the skill inventory of the textile hub comprising 6 lakh workers, where upscaling could be facilitated.

"We have a self-groomed labour force rather than a well-groomed force. We are in the globalised market era and we have to compete with countries like Korea, Vietnam, Japan and China.

All these countries have 95 per cent and above technically skilled labour force and we are competing with them in the global market. So, we request the government to come forward to upscale the existing skilled inventory to the required international standard," Raja M Shanmugham, President of TEA told Fibre2Fashion in a telephonic interview.

He added that upscaling the skilled force will help the Indian products to gain value addition and the image of Indian products in the international market will grow.

"Right now, we are at the lowest level. The international markets perceive Indian products as cheap and inconsistent in quality. It is a fact because we do not have much skilled force deployed in our manufacturing activities. The attention of the government should be on upscaling the skill inventory to enable them to reach the international standards. So that will help the manufactured products to have consistency on the quality front," noted Shanmugham

When these good quality products reach the global market, they automatically increase the brand value of the Indian products. So, the business will also grow and we can ensure the minimisation of wastages at the manufacturing site. Automatically the manufacturing industry will become a profitable one.

TEA also requests the government to build 1 lakh houses for the textile workers in Tiruppur clusters and develop labourer supportive infrastructure. Shanmugham also said that the hub should be provided with an exclusive research division or R&D platform to take the industry forward to the next level for bringing in the technical textiles arena and all other untouched arenas.

A special board should also be established in Tiruppur to act as a connecting body between the policy-making system and the ground level. We request the government to develop a permanent structure, said Shanmugham.

Source: fibre2fashion.com – Jan 20, 2017

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Bengaluru to host sustainable textile summit in May

Planet Textiles 2017, the leading sustainable textile summit for the global textile sector, will kick off from May 24 in Bengaluru. The event on textiles and sustainability will discuss about various crucial issues including textile wastewater pollution, chemical management and natural resource conservation including both energy and water use.

“Planet Textiles is the leading international event on sustainability in the textile sector because it discusses real-world practical issues and ideas on how the global supply chain can move to a more sustainable future,” said Scott Miller, director, business development at the Sustainable Apparel Coalition.

“The event last year was a huge success with nearly 450 delegates from 33 countries and featured some inspirational presentations from industry leaders, along with tangible outcomes.”

Senior industry executives and speakers from various brands such as VF Corporation, Nike, Marks & Spencer, Puma, Gap, Levi Strauss, along with many others, had participated in the 2016 summit held in Copenhagen.

The textile industry programme will be co-organised by MCL News & Media, publisher of Ecotextile News, and the Sustainable Apparel Coalition in support with long-time partner Messe Frankfurt.

Source: fibre2fashion.com- Jan 20, 2017

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Movement to revive fading textile crafts rises

Taking forward the legacy of textile artisanship, the world renowned fashion designer from Ahmedabad, Asif Shaikh, is on a mission to revive and promote heritage textile crafts that are fading into the oblivion.

Having realized that textile crafts can only be kept alive if artisans get their due recognition, Shaikh founded Crafts+Design+Society (CDS) which recently registered as a company known as CDS Art Foundation.

CDS Art Foundation will facilitate collaboration between textile artisans and fashion designers. The artisans and designers will not only co-create and innovate but also create contemporary couture with traditional textile crafts such as ajrak, bandhani, pashmina, patola, batik, ikat and kalamkari, among several others.

"Textile heritage is part of our culture and if we lose these, we will lose an important aspect of our culture. Our aim is not just to empower artisans, but also to encourage the younger generation in artisan families to learn and continue evolving these heritage crafts. This can only be achieved when craftsmen not only get recognition, but also opportunities to create, innovate and sustain the art," said Asif.

CDS Art Foundation aims to educate textile craftsmen on aspects such as innovation and experimentation which they don't usually take up due to limited means. "Instead of giving the artisans a livelihood, we aim to enable them to innovate and create a market for their craft.

The goal is to make India's hand-crafted textiles as inspiring as any global brand. This will inspire the younger generation in artisan families to preserve their generations-old textile craftsmanship," said Gauri Wagenaar, committee member, CDS Arts Foundation and an art historian.

Walking Hand-in-Hand

To give these artisans respect and recognition, CDS curated a fashion show, 'Walking Hand-in-Hand', which was held at the National Institute of Design (NID) in Ahmedabad last year. The collection shown, a line of garments, was co-created by artisans and designers in a particular craft, who also walked the ramp and explained their craft. Part of the collection was also showcased at Lakme Fashion Week in Mumbai last March.

'Walking Hand-in-Hand' will be held again this year as part of Archiprix 2017 at Cept University on February 9. The couture presented at the show will comprise textile crafts such as bani thani paintings from Rajasthan, bandhani and Bhujodi from Bhuj, ajrakh from Kutch, batik from Mundra, Kashmiri weaves and ikat from Telangana and Maheshwari from Madhya Pradesh, Banarasi weaves, among others.

"Before each collection, the craft will be explained in brief with details of its origin, so people know what it is about. Fabrics are an integral part of architecture and therefore, Archiprix 2017 will be a good platform to showcase traditional Indian textile crafts before world renowned architects," explained Asif.

Source: timesofindia.com – Jan 21, 2017

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Demonetisation to curb total yarn production in 2016-17

During April-October 2016, total yarn output remained flat at 3,954.8 thousand tonnes. Production of cotton yarn decreased by 2.8 per cent to 2,369.6 thousand tonnes during the period. However, synthetic yarn output increased by 4.4 per cent to 1,585.2 thousand tonnes.

Production, Imports and Exports of Cotton & Blended Yarn

Year	Production						Imports		Exports	
	Total		Cotton		Synthetic					
	'000 tonnes	% change	'000 tonnes	% change	'000 tonnes	% change	'000 tonnes	% change	'000 tonnes	% change
2012-13	6,143.9	6.89	3,582.7	14.60	2,583.8	-1.88	95.4	41.75	1,322.7	33.24
2013-14	6,546.2	6.55	3,928.0	9.64	2,628.1	1.71	96.5	1.18	1,541.6	16.55
2014-15	6,657.9	1.71	4,057.0	3.28	2,602.7	-0.97	112.0	16.05	1,493.3	-3.13
2015-16	6,745.9	1.32	4,139.7	2.04	2,606.2	0.13	90.7	-19.04	1,542.3	3.28
2016-17 (F)	6,598.7	-2.18	3,936.4	-4.91	2,662.3	2.15	76.0	-16.26	1,280.8	-16.95
2017-18 (F)	6,837.9	3.62	4,124.2	4.77	2,713.7	1.93	81.1	6.77	1,350.6	5.45
2018-19 (F)	7,156.1	4.65	4,365.9	5.86	2,790.2	2.82	87.1	7.40	1,431.7	6.00

A strong domestic demand and a surge in exports aided the production of synthetic yarn. However, an increase in cotton prices during the period due to shortage in supply and speculation by buyers impacted cotton yarn production. The rise in cotton prices was faster than the growth in yarn prices, putting mills into heavy losses. Hence, manufacturers cut down on production in order to minimise their losses.

We expect production of cotton yarn to further slowdown in the coming months as demonetisation is likely to affect the entire textile value chain. The industry witnesses maximum cotton arrivals during the months of November and December. However, this time around, manufacturers and traders did not have cash to pay to farmers. This led to lesser cotton arrivals as farmers refrained from selling their produce in the market, creating an artificial shortage in cotton supply.

Further, cash constraints due to demonetisation led to labour problems in the industry. Cash transactions are largely prevalent in the unorganised sector to pay wages. However, due to the lack of currency, manufacturers were unable to pay wages which resulted in labourers failing to report to work.

Demonetisation also curtailed consumer spending, resulting in a dip in the domestic demand for apparels and other end-products of the textile industry. This is expected to affect the cash flow of the textile industry and is likely to drive a constraint in demand for the entire value-chain including cotton & blended yarn.

Exports account for close to 20 per cent of the total cotton yarn produced in the country. Auction of reserve cotton in China is likely to impact India's cotton yarn exports during the year. The release of reserve cotton in the country will reduce the demand for India's cotton yarn amongst the Chinese textile mills.

Prices of Cotton & Blended Yarn in Domestic Market

Year	Hosiery yarn : 40s (carded)		Cotton cone yarn : 40s/42s		Cotton hank yarn : 40s	
	Rs./kg	% change	Rs./kg	% change	Rs./kg	% change
2012-13	213.8	3.17	200.0	12.50	222.5	8.17
2013-14	237.5	11.09	212.4	6.20	239.3	7.55
2014-15	228.9	-3.65	200.6	-5.57	245.1	2.45
2015-16	214.8	-6.15	189.7	-5.45	228.7	-6.71
2016-17 (F)	220.4	2.62	193.4	1.97	243.2	6.35
2017-18 (F)	227.8	3.36	203.2	5.08	246.8	1.47
2018-19 (F)	239.0	4.93	208.9	2.80	253.1	2.56

Further, many Chinese mills have switched to importing yarn from Vietnam, making it the largest exporter of cotton yarn to China. Thus, yarn exports are estimated to fall by 17 per cent during the year.

The above mentioned factors are likely to impact production of yarn during the year. Total yarn production is projected to fall by 2.2 per cent. Production of cotton yarn is expected to decrease by 4.9 per cent to 3,936.4 thousand tonnes.

Synthetic yarn output is likely to grow by 2.2 per cent to 2,662.3 thousand tonnes. Cotton yarn prices are likely to stay around 2-6 per cent higher during the year.

Source: industryoutlook.cmie.com- Jan 19, 2017

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Textile industry looks promising buoyed by strong domestic & exports market

Over the past year, the most significant transformation that took place in our country was demonetisation. It impacted the industry as a whole which has further tempered the economic growth. Moving forward with the current state of the economy and cash crunch, we are aiming at adopting a holistic cashless model. This move has definitely whetted the interest of the citizens of the country as to what the upcoming budget has in store for them this financial year.

The textile industry has definitely been impacted in the last quarter by the decision of the government. This industry second, only after agriculture, in providing employment to more than 100 million people directly and indirectly out of which most of them are uneducated and work on a daily wage basis. Contributing to more than 11 percent of the total exports in the country, the textile industry is estimated to reach $ 223 billion in the year 2021. The textile industry also contributes to 5 percent of India's GDP and is expected to contribute even more in the near future.

The 2016 budget did address a few gaps of the textile industry through revision of taxation, infrastructure improvement and relaxation of relevant policies directly affecting the industry. The budget also saw the import duty on elastane printed fabrics, cotton & metallic yarn dyed blended fabrics, cotton & spandex, metallic blended fabrics, cotton & silk lining fabric reduced to zero provided these articles are imported to manufacture garments for exports.

With the aim to attract investments of $ 11 billion and generate $ 30 billion in exports, a Rs 6,006-crore special package for textiles and apparel sector was rolled out in June, which was expected to create one crore new jobs in three years. Recently, the government approved reforms in the apparel made-ups sector, aimed at creating large scale direct and indirect employment of up to 11 lakh persons over the next three years and boosting exports.

To sustain the growth trajectory of the booming textile industry, the budget should focus upon better infrastructure, education and skill-set training; along with a further relaxation of laws to give a boost to the textile industry.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption and demands from export.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. This industry will continue to explode, and a favourable budget will give the industry an extra push!

Source: business-standard.com- Jan 21, 2017

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Traders say dip in cotton prices will be short-lived, may rally again

After an unusual rally at the start of the harvest season, cotton prices are headed for a correction. This, most traders believe, will be temporary and short-lived – amidst fears of a lower-than-expected crop. They feel this will result in a further spike in prices, near the end of the arrival season in March.

Cotton prices had touched a high of ₹42,500 a candy (each of 355 kg) recently, before showing a correction of about ₹1,000 to trade at ₹41,400 for the 29 mm fibre. Traders, however, consider the dip in the prices as short-term mainly because the arrivals not improving significantly after a disruption caused by the demonetisation announcement on November 8 last year.

"Recently, we have seen arrivals improving somewhat but not significantly. This caused some short-term bearish trend in the prices. However, by the end of December, the arrivals have been around 1.08 crore bales (of 170 kg each), which is still deficit of about 60 lakh bales as compared to a normal arrival season," said a leading cotton trader from Mumbai, hinting at a further upside in the cotton prices amid fears of a lesser than expected crop.

Cotton exports continue to be robust further adding pressure on the supply-demand situation of the fibre in the domestic market. "So far about 20 lakh bales have been exported and another similar quantity is likely to be exported by the end of March.

Total exports for the year are likely to cross 40 lakh bales amid increased buying from Vietnam and Bangladesh. This will further spike the prices to make newer highs," informed another trader from Gujarat not willing to be named. Raw cotton prices are hovering in the range of ₹5,400-5,825 per quintal, which is one of the highest for the season. The market prices for cotton are significantly higher than the minimum support price (MSP) of ₹4,050 per quintal.

In anticipation of higher prices, farmers are believed to be holding back the cotton stock.

In the international market, the New York Cotton Futures ended marginally higher at 72.69 cents per pound while the Cotlook A index stood at 81.5 cents. Traders termed the fundamentals to be neutral to bearish. However, the futures continue to remain firm.

"There is speculative trading taking place at present, which is keeping the prices up. Considering the crop estimates of US, China and India, there is sufficient supply for the season, putting the mid-to-long term outlook to bearish," an exporter informed here.

Source: thehindubusinessline.com- Jan 21, 2017

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KVIC opens Khadi Lounge in Mumbai

The Khadi and Village Industries Commission (KVIC) will open modern high end khadi outlets in the country. The aim is to promote khadi among the masses. Each such Khadi Lounge will stock premium collection varieties of elegant, stylish khadi silk and newly designed readymades for men and women.

The designer wear includes high fashion garments including ready to wear designed by Ritu Beri, an acclaimed fashion designer.

One such store has opened in Mumbai. This store provides khadi a niche among fashion conscious Mumbaikars and trend conscious youth with modern hand spun fabrics and garments. More such stores will be opened at Delhi, Jaipur and Lucknow. Meanwhile KVIC will also renovate its 178-odd outlets.

KVIC has gone for corporate tie-up with Raymond and is planning to launch a designer range of khadi trousers, jackets and ethnic wear. Raymond will source khadi from KVIC-approved weavers and produce designer clothes.

It will begin selling khadi garments from 100 stores by February, including its overseas stores, beginning with woolen khadi, followed by silk, cotton and poly khadi.

Raymond expects about 10 per cent of its apparel business to come from khadi in the next two years after launch. Through such corporate tie-ups, KVIC expects khadi sales to rise from Rs 1,065 crores annually to Rs 5000 crores in the next three years.

Source: fashionunited.in - Jan 20, 2017

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