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IBTEX No. 70 of 2017 Apr 07, 2017

USD 64.39 | EUR 68. 59 | GBP 80.29 | JPY 0.58

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
20820	43550	**86.31**

Domestic Futures Price (Ex. Gin), March

Rs./Bale	Rs./Candy	USD Cent/lb
21100	44136	**87.47**

International Futures Price

NY ICE USD Cents/lb (May 2017)	74.51
ZCE Cotton: Yuan/MT (July 2017)	15, 435
ZCE Cotton: USD Cents/lb	**86.04**
Cotlook A Index – Physical	**85.60**

Cotton guide:

The talk of the town is the performance of cotton price at the global market. The Cotton trade at ICE is receding day by day. So far this week cotton price for May contract has declined more than a cent and currently trading around 74.50 cents per pound. The effect is equivalently seen on the next active contract i.e. July. However, the most interesting area to look is the spread between May and July contract which has indeed increased in this week from around 1 cent to 1.65 cents. We believe the spread to further widen in the near term as the longs roll over from May to July is very active. On a daily basis the OI from May is declining while the same is being parked in July contract.

For reference, the May contract OI has been continuously declining from 0.164 million contracts to 0.102 million contracts while the July OI by and large are increasing from 40,000 contracts to 70+K contracts. This indicates market is sheer rolling their positions with marginal cut in long position and aggressive fresh shorts pulling altogether price down. We believe on today's trading session cotton price may continue to remain weak.

In our earlier report we had emphasized cotton price has breached 50-day SMA and hovering near 100-day SMA indicating the under tone is bearish however, we expect unless any fresh trigger comes in market may either remain sideways or gradual decline in the price could be noticed. Further on the price scenario we expect cotton price may test 74 cents on today's trading session and the band would be 74 to 74.90 and recommend selling from higher levels.

In the meanwhile, the export sales data released from the US on Thursday showed a decline in the figure to 391K bales lower in last seven weeks. We believe this may have lingering effect on cotton price to trade down.

We also believe cotton market to remain cautious with a bearish approach. The US will release its weekly CFTC commitment of traders' (COT) report which will portray the long/short positions in the market and the unfixed on call sales position. While in the next week the major triggers would be USDA monthly report releasing on 11th April stating the ending stocks and production estimation for both US and global perspective. Any unforeseen data may distract the market trend.

Coming to domestic market the spot price continues to remain resilient near Rs. 44500-44700 per candy amid lower supply of new produce. We believe the scenario may continue to hold in the near term. However, the future contract of cotton trades at MCX is sheer taking cues from the global benchmark. The April has declined to end the session at Rs. 20,900 down by Rs. 140 from the previous close. We believe on today's trading session cotton future to remain bearish and recommend selling from higher levels. The trading range would be Rs. 20700 to 21000 per bale.

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

South Africa disbursed R3.1 billion for textiles

South African government approved R4.9 billion and disbursed more than R3.1 billion in its clothing and textiles sector to create and save jobs till the last financial year through the department of trade and industry. The funds were disbursed through the Production Incentives Programme within the Clothing and Textiles Competitiveness Programme (CTCP).

This was stated by minister of trade and industry Dr Rob Davies at the first clothing manufacturing industry sector summit hosted in Durban by the National Bargaining Council for the Clothing Manufacturing Industry (NBCCMI).

According to Davies, a number of companies who qualified and drew from both the programmes were able to save 81,252 jobs and create 9,672 additional jobs. The net new jobs grew by 4,785 till the last financial year from the inception of the CTCP.

This indicated that these were significantly labour-absorbing sectors and the government needed to create more opportunities in these to keep them sustainable, Davies noted.

"The issue of rebates in the clothing and textile sector is still a burning issue within the industry, and part of the government's plan is still to tighten control of imports and the raising of tariffs to the maximum boundary like we did in the beginning when we were revamping the whole industry. The whole value chain must still be involved in the sector going forward," said Davies.

The minister added that localisation in every sector would no longer be an option. Once designation had been translated into a practice note by the national treasury, it would be an obligation that public entities buy locally produced goods, he said.

"Whatever is needed to be done to protect the industry, it must be done, but it should be in the interest of industry development and to improve local supplier base.

We want to see consequences for those who do not want to implement localisation and empowerment," he said and urged delegates to start a dialogue with retailers and manufacturers around local production and not abandon the issues of empowerment and transformation.

Source: fibre2fashion.com- Apr 06, 2017

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H&M, IFC partner to boost sustainability in garment sector

Fashion retailer H&M and IFC, a member of the World Bank Group, have entered into a joint partnership to boost the use of clean, renewable energy in the garment sector, while also slashing greenhouse gas emissions. The association will guide the strategic tier one and two suppliers in China, India and Bangladesh in adopting renewable energy solutions.

H&M and IFC will develop a platform for implementation of practical renewable energy solutions on the ground to achieve meaningful reductions in greenhouse gas emissions through adoption of clean energy sources such as solar, wind, and hydro power; an approach that will be initially taken in three countries of high importance to H&M but which can ultimately be replicated in other markets.

"H&M has an ambition to work with a climate neutral supply chain (Tier 1 and Tier 2) by 2030 and we see IFC as an important partner in this journey. IFC's vast experience working with renewable energy and climate related topics in several developing countries will be very valuable in driving this agenda together with our business partners.

We believe that this partnership will not only have a positive climate impact on H&M's supply chain but also on the fashion industry as a whole," said Pierre Borjesson, sustainability business expert - Climate Change and Water Stewardship, H&M.

H&M is committed to a goal of 100 per cent renewable energy usage in its own operations, and is one of the first companies in the industry to start setting climate-change and renewable energy goals along its value chain.

"Cutting greenhouse gas emissions is crucial for the environment, but importantly, this project will create a low-carbon roadmap that shows how it makes good financial sense for firms too," said Milagros Rivas Saiz, global head advisory at IFC.

IFC has a proven track record of supporting the development of renewable power. Since it started tracking climate-related investments in 2005, IFC has committed more than $7.6 billion for renewable energy from own account. This includes almost $5 billion in large-scale on-grid renewable energy generation, $500 million in renewable energy component manufacturing, and $2.2 billion through financial intermediaries and other sectors.

"In several countries distributed solar power can be cheaper than grid-provided power, and is far less costly for those suppliers who have to rely on expensive diesel generator sets to meet their power needs. This roadmap will provide direction on how to capture these savings," said IFC senior energy specialist Jeremy Levin.

Source: fibre2fashion.com - Apr 06, 2017

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'Improve working condition in Bangladesh RMG sector'

Better Work Bangladesh focused on ways to improve working condition across the country's garment industries at the second stakeholder and buyer forum held in Dhaka. Nearly 300 national and international garment sector representatives attended the forum, including partners from government, employer associations and unions and global brands.

Better Work is collaboration between the United Nation's International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group.

It is a comprehensive programme bringing together all levels of the garment industry to improve working conditions and respect of labour rights for workers, and boost the competitiveness of apparel businesses.

"We are here to unite diverse stakeholders, promote decent work for all and help the garment industry in Bangladesh thrive. We would like to see the sector attain the government's own goals: for Bangladesh to become a middle-income country with a $50 billion export sector and good compliance conditions by 2021," said Louis Vanegas, programme manager of Better Work Bangladesh.

"I firmly believe that Better Work can make a valuable contribution to the working conditions and competitiveness of individual factories. It can also help take the industry to the next level, which is the theme of this second stakeholders' forum," said Srinivas Reddy, director of the ILO country office for Bangladesh.

Representatives from global brands and retailers also held talks with Better Work, stressing their commitment to enhancing compliance in their supplier factories across the country to meet international labour standards.

Kutubuddin Ahmed, secretary general of the IndustriALL Bangladesh Council, said that enhancing compliance levels in factories was key to guaranteeing workers' safety and wellbeing, but that more should be done to achieve this, including collaborating with Better Work.

Source: fibre2fashion.com - Apr 06, 2017

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UAE: Apparel has largest share in UAE's retail sector

Dubai's apparel and footwear market, valued at $11.5 billion in 2016, accounted for the largest share of the Emirate's retail sector, according to an analysis. Apparel leads the category with 73 per cent market share.

Demand within this segment was supported last year by value offerings by retailers, particularly during shopping festivals and sales events.

The analysis has been released by the Dubai Chamber of Commerce and Industry at the ongoing 11th World Retail Congress. It has brought together 1,500 attendees, including 150 industry leaders and experts, to discuss key trends impacting the global retail sector.

The analysis found that apparel leads the category with 73 per cent market share, followed by footwear (18 per cent), and sportswear (9 per cent).

Demand within this segment was supported last year by value and mid-range offerings by retailers, particularly during shopping festivals and sales events. This trend is expected to continue through 2021, leading the category to achieve a projected compound annual growth rate (CAGR) of 3.4 per cent in the medium term.

Hamad Buamim, president and CEO, Dubai Chamber, said the analysis highlights the underlying strength of Dubai's retail sector, as well as the key trends that will fuel future growth within the market.

"The easing of UAE visa regulations to some countries is expected to drive tourism, which will likely have a positive impact on the Dubai's retail market going forward as the Emirate prepares to attract up to 20 million tourists annually by 2020," added Buamim.

Buamim explained that this trend will likely result in a change to the demographics and characteristics of visitors, and added that retailers in the Emirate will need to adjust and expand their offerings to cater to diverse consumer groups.

Source: fibre2fashion.com- Apr 06, 2017

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Jordan's garment alliance to create opportunities

A new garment sector alliance in Jordan aims to create economic opportunities in the country, improve the lives of refugees caught up in the Syrian crisis and help their host countries.

The initiative, led by partners from the international community, was first set in motion at last year's Supporting Syria and the Region conference in London.

The Jordan Garment Sector Alliance, backed by the World Bank Group, has been formed by various partners including the International Labour Organisation, Better Work Jordan, the Jordan Investment Commission, the

Jordan Industrial Estates Company, the Jordan Garments, Accessories, and Textiles Exporters' Association (JGATE) and the Jordan Chamber of Industry and Trade.

These partners have come together to design effective programmes that translate the policies contained in the Jordan Compact - the conference's final document - into practice. Jordan had agreed to implement ambitious measures aimed at creating 200,000 jobs over the coming years.

The country currently has more than 650,000 Syrian refugees registered with the United Nations' refugee agency, 80 per cent of whom live in host communities. The number could be higher since a recent census showed some 1.3 million Syrians living in the country.

The garment industry is seen as one of the sectors that can absorb both refugees and the local workforce since it is labour-intensive with more than half of its 70,000 workers from abroad, mostly from South and South-East Asia.

Jordan's $1.6 billion apparel industry accounts for some 20 per cent of the country's exports, said JGATE chairman Husam Saleh at a recent alliance meeting, stressing that the industry had registered a six per cent increase in apparel exports year-on-year.

Opportunities arising from the recent trade agreements that allow Jordan to export products to Europe tariff free, for a ten-year period, are also expected to give an employment boost to the sector.

Deputy secretary general for technical affairs at the ministry of labour Haitham Khasawneh said, "The garment industry is one of the sectors that can create jobs for Syrians as well as Jordanians. We have already created new jobs in the country's rural areas. Other sectors don't generate as many jobs as this sector does."

Still, challenges have emerged when trying to attract Syrians to the sector. The Jordan Garment Sector Alliance must ensure consolidation of the garment sector through advocacy, growth of local employment and an increase in compliance, and also now play a crucial role in helping to bring a new refugee workforce to the industry.

"The idea is to try to create a programme where all different partners get together to create opportunities for both Jordanians and refugees. We need to work not only on matching the Jordanian suppliers with global purchasers, and on coordinating market actors, but also on labour market connectivity, to make sure both the Jordanians and the Syrian refugees understand what it is like to work in a garment factory, in order to attract them to join it," said Benjamin Herzberg, programme Lead at the Equitable Growth, Finance and Institutions vice-presidency of the World Bank Group.

Source: fibre2fashion.com- Apr 06, 2017

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Boom in Australian cotton crop production to continue next season

The boom in Australian cotton crop production will continue next season, as good returns prompt farmers to continue increasing sowing and as result the fibre wins acres from other crops, US officials said.

The US Department of Agriculture's bureau in Canberra forecast 2017-18 cotton production at 5.0m bales, up from 4.6m bales in the previous season, due to attractive cotton prices, cheap water and strong overseas demand.

The bureau said that these factors encouraged Australian cotton growers to increase plantings for the 2017-18 season and the share of dryland cotton has increased significantly.

Cotton production is now forecast at the second highest level on record, representing a huge increase from the crop of just 2.30m bales seen back in 2014-15 crop year.

In recent years, cotton farms have extended further into New South Wales in competition with rice, citrus and summer crops such as sorghum, the bureau said.

This increase in sowings means a greater portion of the crop is now planted on unirrigated land, which could make the crop more vulnerable to any unwelcome weather developments.

With greater production and strong international demand, Australian cotton exports are forecasted at 4.8m bales in 2017-18, up 600,000 bales year-on-year.

Also fresh demand is emerging from the Indian textile industry. The bureau notes that 25 percent of exports in 2016-17 went to India, compared to only 2-3 percent in previous years. But China is expected to be remain the main destination for Australian exports as high levels of stocks have reduced demand in recent years.

Source: yarnsandfibers.com– Apr 06, 2017

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USA: Cotton Market Scenario

US Export sale: Drifted down

US CFTC COT report: Releasing Today

11th April: USDA report: Ending stocks and Production data

May- July Spread: Approaching 2 cents

May contract: Cuts down 100 days moving average, indicates bearish

July contract: Cuts down 50-daa SMA, scope for 1 cent down

Unfixed on call sale: 118,000 contracts, today's CFTC report shall justify the price movement

Indian spot cotton: Remains resilient, tight supply

The talk of the town is the performance of cotton price at the global market. The Cotton trade at ICE is receding day by day. So far this week cotton price for May contract has declined more than a cent and currently trading around 74.50 cents per pound. The effect is equivalently seen on the next active contract i.e. July. However, the most interesting area to look is the spread between May and July contract which has indeed increased in this week from around 1 cent to 1.65 cents. We believe the spread to further widen in the near term as the longs roll over from May to July is very active. On a daily basis the OI from May is declining while the same is being parked in July contract. For reference, the May contract OI has been continuously declining from 0.164 million contracts to 0.102 million contracts while the July OI by and large are increasing from 40,000 contracts to 70+K contracts. This indicates market is sheer rolling their positions with marginal cut in long position and aggressive fresh shorts pulling altogether price down. We believe on today's trading session cotton price may continue to remain weak.

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Source: Kotak Commodities - Apr 07, 2017

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NATIONAL NEWS

Centre to pay 90 percent cost of new looms to weavers: Textiles Minister Smriti Irani

This move is among various measures which have been initiated to help weavers, including a dedicated helpline for them, she said in the Lok Sabha.

The Centre would fund 90 percent cost of new looms for weavers to replace the old ones, Textiles Minister Smriti Irani said today. This move is among various measures which have been initiated to help weavers, including a dedicated helpline for them, she said in the Lok Sabha.

Responding to concerns raised by CPI-M member P K Sreemathi Teacher about the problems faced by the handloom industry in Kerala, Irani assured that she would try her best to help the handloom weavers in Kannur, Kerala.

Old looms can be replaced with new ones as the government would pay 90 percent cost to the weavers to help them renew their looms, Irani noted. The government, in January, started a special helpline, especially for weavers. "I will also personally visit Kannur and try and help to the best of my ability," she said.

During the Zero Hour, the member mentioned about the problems faced by Kerala's handloom industry including financial issues and lack of rebate assistance to weaving accessories.

Source: financialexpress.com- Apr 06, 2017

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Haryana Textile Policy 2017 fails to impress the MSME sector

The Haryana Government recently launched the Textile Policy 2017 aiming to make Haryana a global textile manufacturing hub by providing incentives on setting up of new units. However, the MSMEs are critical of the policy and don't see it very impressive for the industry.

Talking to KNN, Animesh Saxena, MD Neetee Clothing also a CEC Member of FISME compared the Haryana Textile Policy 2017 with the policies that exists in other states.

He said "It is not a very attractive or a game changing policy, it fails to address the issue of the apparel industry. Of late the policies in Jharkhand, Madhya Pradesh, Gujarat and Andhra Pradesh are far more lucrative ".

Cost of land being a prime concern, Saxena added "Though in the policy the Government is offering incentives on land and electricity but that is only in Zone C and D, which is almost 100-200 kms away from the main belts.

For a small MSME exporter, its isn't very viable to setup something in the interiors where there is no supply chain or man power available, Zone C and D lacks basic ecosystem".

Government's claim of targeting to generate employment also seem to fall flat, Saxena opined.

"Most of the workers in this sector are migrants and the cost of living is very high in the state" he said.

Highlighting the shortcomings of the policy Saxena expressed that the policy fails to address the minimum wage issue. "The minimum wage in Haryana is very high as compared to other states.

The government must offer wage subsidy for the apparel industry in the region" exhorted Animesh.

He further asserted that the Government should have promoted apparel zones in Gurgaon Faridabad area with pre-built sheds for small scale exporters, cluster of units in one zone to facilitate the appropriate ecosystem and built proper treatment plants to achieve the outcomes it claims to achieve with the introduced policy.

Source: knnindia.co.in- Apr 06, 2017

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Rehabilitation of Unemployed Workers

Ministry of Textiles has been implementing the Textile Workers Rehabilitation Fund Scheme (TWRFS) with effect from 15.09.1986.

Under the scheme, interim relief is provided to textile workers rendered unemployed as a consequence of permanent closure of private non-SSI mills. It has been decided to merge this scheme with Rajiv Gandhi Shramik Kalyan Yojna with effect from 01.04.2017.

The above information was given by the Minister of State, Textiles, Shri Ajay Tamta today, in a written reply to a Lok Sabha question.

Source: business-standard.com - Apr 06, 2017

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Self certify Indian export cargo with AEO status

A majority of apparel exporters from Tirupur, the hub for knitwear exports have not obtained the ‘authorised economic operator’ (AEO) status, which is in compliance with World Trade Organisation (WTO) norms.

One of the biggest advantages of getting the AEO status is the self certification of cargo, without the need of customs examination.

"To remain competitive in global markets, it has become essential to get an AEO status, since export incentives schemes like Merchandise Exports From India Scheme (MEIS) may be withdrawn, considering that India's per capita income in India has crossed $1,000 for three consecutive years starting from 2013," a leading daily quoted Sudhakar Kasture, an international trade consultant as saying.

According to Kasture, export incentives cannot be given if the per capita income of any country crosses $1,000 for three successive years as per WTO guidelines.

An exporting company can file for AEO status if it has filed 25 shipping bills or 25 bills of entries in a year, while also recording profit for the last three years.

Source: fibre2fashion.com- Apr 06, 2017

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Impact of India-EU FTA on Textiles Industry

India is negotiating a Broad-based Bilateral Trade and Investment Agreement (BTIA) with the European Union (EU) and Trade and Economic Partnership Agreement (TEPA) with the European Free Trade Association (EFTA). India is committed to a pragmatic and balanced outcome of both the negotiations. India is awaiting the response of the EU side to resume the BTIA negotiations. 15 rounds on TEPA have been held. It is expected that greater trade and investment flows will result from these agreements in many sectors, including textiles.

The Government has been working continuously to increase export competitiveness of India in Europe as well as in other markets. Government has introduced special package for apparel and made-ups sector in June, 2016 and December, 2016, respectively.

The government is also implementing schemes like Amended Technology Upgradation Fund Scheme (ATUFS), Pradhan Mantri Paridhan Rojgar Protsahan Yojna (PMPRPY), Scheme of Rebate of State Levies (RoSL) on export of garments, Schemes for Technical textiles, Scheme for Integrated Textile Parks (SITP), Integrated Skill Development Scheme, etc. to modernize textile industry, increase production and global competitiveness.

Apart from the steps taken by the Government mentioned above, the Government has taken following initiatives to augment the textile exports:- Merchandise Export from India Scheme (MEIS) Scheme under new Foreign Trade Policy 2015-20; expanding its scope; restoring interest rate subvention for pre and post shipment credit for the textile sector; increased Duty Drawback rates for some textile articles; Market Access Initiative Scheme; Market Development Assistance Scheme; and Duty Free import of

trimmings, embellishments and other specified item under Export Performance Certificate Entitlement Scheme.
This information was given by the Commerce and Industry Minister Smt. Nirmala Sitharaman in a written reply in Rajya Sabha today.

Source: pib.nic.in - Apr 05, 2017

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Reducing Trade Gap with China

As reported by Embassy of India (EOI), Beijing, the provisional statistics released by the Chinese General Administration of Customs, China's global exports in February 2017 shows a decline of 1.3 % year-on-year to US$ 120.08 billion while its global imports increased 38.1 % year-on-year to US$ 129.23 billion, resulting in a trade deficit of US$ 9.15 billion.

Details of trade and trade deficit with China for the last three years and the current year are given below:-

Bilateral Trade between India and China during 2013-14 to 2015-16 and the current year

Value in USD Billion

Year	Import	Export	Total Trade	Trade Deficit
2013-14	51.03	14.86	65.89	36.17
2014-15	60.41	11.95	72.36	48.46
2015-16	61.70	9.01	70.71	52.69
2015-2016(Apr to Feb)	56.91	8.23	65.14	48.68
2016-2017(Apr to Feb)*	55.63	8.94	64.57	46.69

**Provisional(Source; DGCI&S)*

From above table, it may be seen that India's trade with China during April-February 2016-17 decreased marginally by 0.87% and amounted to US$ 64.57 billion.During this period,India's exports to Chinagrewby 8.69% to US$ 8.94 billion while India's imports from China saw adecline of2.26% to US$ 55.63 billion resultingin a decline in India's trade deficit with China by 4.1%.

Ministry of Commerce of the People's Republic of China and Ministry of Commerce & Industry of the Republic of India jointly developed and signed in September 2014 the Five-Year Development Program for Economic and Trade Cooperation in order to lay down a medium term roadmap for promoting balanced and sustainable development of economic and trade relations between China and India, on the principle of equality and mutual benefit.

The Five Year Program recognizes and states “that trade deficit with China is a matter of high concern for India. Against this background and in the spirit of mutual benefit, India and China shall endeavour to strengthen cooperation and gradually achieve bilateral trade balance over the next 5 years. India and China shall further endeavour to increase bilateral trade in services particularly Information Technology (IT) & Information Technology Enabled Services (ITES) in the next 5 years.”

The Government has also taken various measures to extend support to exporters to increase exports to all countries including China, which are indicated below:

i. The New Foreign Trade Policy (2015-20) was announced on 1st April, 2015 with a focus on supporting both manufacturing and services exports and improving the ‘Ease of Doing Business’. The FTP introduced two new schemes, namely, ‘Merchandise Exports from India Scheme’ (MEIS) for incentivising export of specified goods to specified markets and ‘Service Exports from India Scheme’ (SEIS) for promoting export of notified services from India, by consolidating earlier schemes.

ii. In the light of the major challenges being faced by Indian exporters in the backdrop of the global economic slowdown, the envisaged revenue outgo under MEIS was increased from Rs. 18000 Crore to Rs. 21000 Crore in October 2015 with accompanying enhancement in benefits on certain products and inclusion of certain additional items.

iii. A new scheme called Special Advance Authorisation Scheme for export of Articles of Apparel and Clothing Accessories of chapter 61 & 62 of ITC(HS) Classification of Export and Import has been introduced with effect from 1st September 2016 wherein exporters are entitled to authorisation for duty free import of fabrics, including inter lining on pre-import basis and All Industry Rate of Duty Drawback for import of non-fabric inputs on the exports

iv. By way of trade facilitation and enhancing the ease of doing business Government has reduced the number of mandatory documents required for exports and imports. The trade community can file applications online for various trade related schemes.

This information was given by the Commerce and Industry Minister Smt. Nirmala Sitharaman in a written reply in Rajya Sabha today.

Source: pib.nic.in - Apr 05, 2017

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Yarn merchants protest export of raw cotton

Three thousand-odd textile shops and yarn merchants today downed shutters here, a major textile hub, protesting the increase in yarn prices and demanding a ban on cotton exports.

The closure was in response to the call given by ten textile and yarn merchants associations to urge the Central government to stop export of raw cotton, which they claimed has led to an increase in yarn prices.

Association office-bearers said yarn prices had increased by 30 per cent in the last one month resulting in higher production cost.

They claimed the loss of business due to closure of shops was estimated to be Rs 15 crore.

Source: business-standard.com - Apr 06, 2017

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Spinners profitability may remain under pressure: ICRA

Profitability of spinners is likely to be under pressure as the overall cotton yarn demand is expected to remain moderate, ICRA said in a report.

In ICRAs view, as overall yarn demand is expected to remain tepid, spinners may have to sacrifice capacity utilisation or contribution. Hence, their profitability is likely to remain under pressure.

Moreover, the spinners continue to face challenges on account of the high cotton prices as well, it said.

In the first half of 2016-17, cotton prices remained high due to low domestic availability, which was further impacted by continued fibre exports amid uncertainty on the actual crop-size following slower arrivals.

During the last quarter of 2016-17, the domestic cotton prices averaged at Rs 120 per kg, which is higher by 29 per cent on a year-on-year basis, the rating agency said.

ICRA said in spite of the expected improvement in cotton sowing in the upcoming kharif season, continued high cotton fibre exports and the uncertain monsoons are expected to keep the prices firm.

Besides profitability pressures, high cotton prices are likely to translate into higher working capital requirements of domestic mills and higher borrowings, it said.

Further, ICRA said, the growth in spun-yarn production declined to a five-year low in FY17.

The improved competitiveness of PSF (polyester staple fibre) compared to cotton resulted in a 5 per cent Y-o-Y growth in non-cotton yarn production in FY17. The yarn output is estimated to have decreased by 2 per cent, it added.

The weak trend in cotton-yarn production primarily mirrored the decline in cotton-yarn export volumes till November 2016 due to lower demand from China amid improved local mill usage.

Although the cotton yarn export volumes improved in December 2016, production remained constrained due to the governments demonetisation drive, ICRA said.

"The domestic spinning industry remains highly dependent on exports, with a third of Indias cotton yarn having been shipped during the past five years.

"Further, high dependence on exports to China and the resulting sensitivity of Indias exports to Chinas policy on reserve cotton stock warrant a cautious outlook on yarn exports," ICRA Senior Vice-President and Group Head Jayanta Roy said. PTI SM RSY

Source: indiatoday.in- Apr 06, 2017

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NIFT To Have Foreign Faculty Under MHRD's GIAN Initiative

New Delhi: Under the Global Initiative for Academic Network (GIAN) of Ministry of Human Resource Development (MHRD), National Institute of Fashion Technology (NIFT) has proposed engaging eminent international academicians in the field of Design and Fashion management.

This information was given by the Minister of State, Textiles, Shri Ajay Tamta today, in a written reply to a Lok Sabha question.

Under the GIAN initiative, the boarding and lodging expenses of these eminent international academicians will be borne by NIFT. There will be no additional burden imposed on students in this regard, said the minister in Parliament.

National Institute of Fashion Technology (NIFT), set up in 1986 under the aegis of Ministry of Textiles, Government of India, is a Statutory Institute Governed by the NIFT Act 2006.

The NIFT Campus at New Delhi was established in 1986 in collaboration with FIT, New York. The Campuses at Chennai, Gandhinagar, Kolkata, Hyderabad, Mumbai were set up in 1995 and that of Bengaluru in 1997.

The new millennium witnessed emergence of new campuses in Bhopal, Bhubneshwar, Jodhpur, Kangra, Kannur, Patna, Raebareli and Shillong. The Campus at Srinagar in Jammu & Kashmir is the newly added node to NIFT's network.

Source: ndtv.com- Apr 06, 2017

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