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IBTEX No. 16 of 2017 Jan 20, 2017

USD 68.08 | EUR 72.71 | GBP 84.10 | JPY 0.59

Cotton Market Update

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

NEWS CLIPPINGS

INTERNATIONAL NEWS

USA: Tax Reform, Import Tariffs Threaten the Fabric of the Apparel Industry

We may still be on the eve of Donald Trump's inauguration as the 45th president of the United States, but the Trump effect has already been reverberating through the apparel industry.

Since Nov. 8, questions have swirled about how the President-elect's campaign promises could impact our industry. Chief among them were his plans to levy hefty tariffs against our No. 1 trade partner. Then-candidate Trump had mentioned a 45 percent tariff on goods from China. More recently, there have been reports his team is eyeing a blanket 10 percent tariff on all imports.

Meanwhile House Republicans have been developing their own plan to make America great again. In the "A Better Way" tax plan introduced in June, GOP members outline a border adjustment tax designed to level what they see as an unfair playing field for U.S. exporters abroad.

Trade walls

Judging by Trump's actions with regard to the Carrier air conditioning company and Ford automakers, what he said in his recent press conference and what can be gleaned from his Twitter feed, his plans seem focused on discouraging companies from investing overseas and moving jobs there. It's a message that resonated with many of his supporters.

But is potentially singling out a particular country—especially China—a good idea?

"We are married to China," said chief merchandising officer at Untuckit men's wear, Bjorn Bengtsson. "We might dislike certain things, but they own a lot of our government debt, and we need them. The only ones who will suffer are the consumers because prices will go higher."

If we do wake up to a burdensome tax on Chinese-made goods on Jan. 21, Bengtsson predicted companies will begin to shift production elsewhere—the question is when.

The apparel production cycle is notoriously long lead, not to mention the time it takes to get new factories up to speed. In the face of these challenges, brands are already running scenarios, as they try to read the tea leaves in each new incendiary tweet.

"Just the conversation can be very disruptive because a lot of people are panicking now, and as importers, we don't know where to go and a lot of people are affected," said Howard Kahn, executive chairman of Kahn Lucas, a 128-year-old girls' apparel company, voicing the concerns of so many in this industry. "People have manufacturing planned out for years. What's the potential hit for companies that have significant commitments in China?"

Kahn said ultimately the American consumer will have to reach deeper into his and her pocket. "If there's a 45 percent tax, who do they think is going to pay for that?" he said. "Initially it'll be the importers but beyond that, it will be the consumer."

And for those brands looking to get out of China, Bengtsson said they should prepare for sticker shock as well. "Those places will raise the prices when they have 55 people knocking on their door instead of the usual three or four. When demand outstrips supply, prices go up. The net effect is negative for apparel no matter how you turn it around."

Tax overhaul

In terms of the border adjustment tax, it would lower corporate income taxes from 35 percent to 20 percent, which is a positive thing. However, those same companies would no longer be able to deduct the cost of goods for products that were imported.

Exporters, on the other hand, would still be able to deduct the cost of goods.

In other words, take a jacket that was made overseas for $65 with an additional $35 in marketing, fulfillment and transport expenses once it arrives here. If the jacket is sold in the U.S. for $175, the brand would typically pay taxes on the $75 profit.

Under the new tax system, the company would be taxed on the profit plus the cost of imported goods, or $140. Therefore, taxes would increase from $26.25 to $28.* Now multiply that by millions of products.

Supporters in the Republican party hope this would give U.S. exporters the same advantage that foreign companies that operate on a value-added tax (VAT) system enjoy. In those cases, brands that export goods are rebated the VAT. Further, they say it would strengthen the dollar, thereby reducing the cost of imports, offsetting the impact on corporations.

The tax plan also includes incentives for moving capital back to the U.S.

“Since election night, people have been asking how [border adjustability] will impact the industry, but they’re not asking the right question,” said Tom Travis, managing partner of the Sandler, Travis & Rosenberg customs and trade law firm. “The question is, ‘How will it impact me?’”

For every company, how they do business, where they produce, how they operate and where they sell is different, so the possible effect would be different, he said.

“No shoe fits all sizes,” Travis said. “The companies that are planning their supply chain activities have to carefully evaluate how that proposal eliminating the deductibility of those costs affects them against the benefits that are provided by lower corporate taxes and some of the repatriation of capital provisions.”

Comparing the two ideas—tariffs on imports versus a sweeping overhaul of the tax system—Steve Lamar, executive vice president of the American Apparel and Footwear Association, said that for the most part, Trump’s proposals have been more targeted to specific areas, which would affect specific companies. On the other hand, the tax overhaul would touch every business along the supply chain.

Many consumer products industries have come out against the tax overhaul. And they’re not the only dissenters. The President-elect is not a fan either. In an interview with the Wall Street Journal Friday, he said he opposes the Republican border adjustment plan, calling it “too complicated.” Trump has indicated he’d be in favor of a simple corporate tax cut as a way to incentivize companies to stay in the U.S.

Part of the issue for our industry is that not enough is known about the details of the border adjustment tax yet. Ron Sorini, principle of trade consultancy Sorini, Samet & Associates, anticipates there may be exemptions for certain types of product, especially those with U.S. components.

"My guess is those kinds of changes will be made because otherwise you're creating an obstacle to exports if you treat an import apparel the same whether it uses U.S. or foreign cotton or yarn," he said. "Then, there's a disincentive to use U.S. yarn, which is not what they want to accomplish."

If that's the case, Sorini said the U.S. textile market could benefit the most followed by U.S. apparel companies operating in places like Mexico, Haiti and Central America using U.S. inputs.

While everyone crunches the numbers to see how the proposed measures could affect them, Lamar has a few figures he'd like lawmakers to consider before they make any decisions that could hurt U.S.-based businesses.

"We like to say there are three numbers you need to know to understand how our industry works: 98, 97 and 95," said Lamar. Ninety-eight percent of the shoes the U.S. consumes are made offshore.

For clothes, it's 97 percent. And 95 percent of the consumers for these products live outside of the U.S. "If you understand those numbers than you know we need access to global suppliers and consumers."

Source: sourcingjournalonline.com– Jan 18, 2017

HOME

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China: 'Green silk road,' with cotton on the way

At the suburb of the freezing cold city of Kurgan-Tyube in Tajikistan's southern Khatlon state, the sweeping lands of a cotton plantation stretch long. With the harvest already finished in Autumn, countless empty cotton branches tremble in the cold wind.

At a modern textile mill in the Tajik city of Dangara, spinning machines were humming and spinning, spitting out high-quality yarn to be shipped to various countries including Russia, Turkey, Italy and Poland. The mill and the cotton plantation were both invested and set up by China's Xinjiang Zhongtai Group.

In 2014, to answer the call of China's Belt and Road Initiative and Go Out policy, China's Zhongtai Group and Xinjiang Production and Construction Corps, with strong support from the Tajik government, jointly started the construction of the Zhongtai New Silk Road Agriculture and Textile Industrial Park in Tajikistan's Dangara Basin.

The Chinese and Tajik sides wish to build a modern base for the cotton industry to develop local cotton production and processing by making use of Xinjiang's advantages in cotton growing and spinning technologies and Tajikistan's advantages in environment, weather, market and human resources.

In just three years, the industrial park has turned from a blueprint into reality. Three Chinese agricultural and textile companies have entered the park, bringing a total investment of 1.1 billion RMB (160 million U.S. dollars) and a whole industry chain of cotton plantation, processing and selling.

Zhongtai Textile Mill chairman Xiao Ruixin told Xinhua that Tajikistan's Dangara Basin enjoys a big temperature difference between day and night, thus local cotton boasts a high quality of thin fiber, high strength and a low sugar degree.

However, due to lagging plantation technologies and aging agricultural machinery, local cotton growing largely relies on nature with a very low production.

Chinese companies, on the other hand, possess advanced cotton growing technologies, delicate textile processing skills and rich capital, Xiao said. To supplement each other's advantages, China's Zhongtai Group decided to build a textile industrial park in Tajikistan's Dangara Basin.

The Tajik government has been earnestly supporting the project from the very beginning. It offers two Chinese agricultural companies 14,667 hectares and 12,000 hectares of free land to plant cotton respectively. Thanks to the Chinese companies' advanced planting techniques, local cotton production has greatly increased.

Seeing this, many local farmers have shifted to cotton growing on their land with the help of the Chinese companies. As a result, their income has greatly increased as well.

At Zhongtai Ginning Factory, a local cotton grower was holding a thick stack of money with a big smile. He had just sold his cotton to the Chinese factory and got money immediately.

At Zhongtai Textile Mill not far away from the ginnery, wheels were busily spinning the ginned cotton into high-quality yarn. Last August, the spinning workshop with an annual capacity of 60,000 spindles of yarn was put into use. With Tajikistan's high-quality cotton and Zhongtai Textile Mill's advanced equipment, the fine yarn has been in high demand since its first production, and the supply has been falling short of demand.

According to Xiao, Zhongtai's factory design and main spinning equipment are most advanced in the world, upgrading Tajikistan's spinning techniques by 30 years.

In its following projects, Zhongtai Textile Mill is to build weaving, dyeing, and sewing workshops, bringing about 100 million RMB (14.5 million dollars) in taxes to the Tajik government annually and thousands of jobs to local people, Xiao said.

Source: ecns.cn– Jan 19, 2017

HOME

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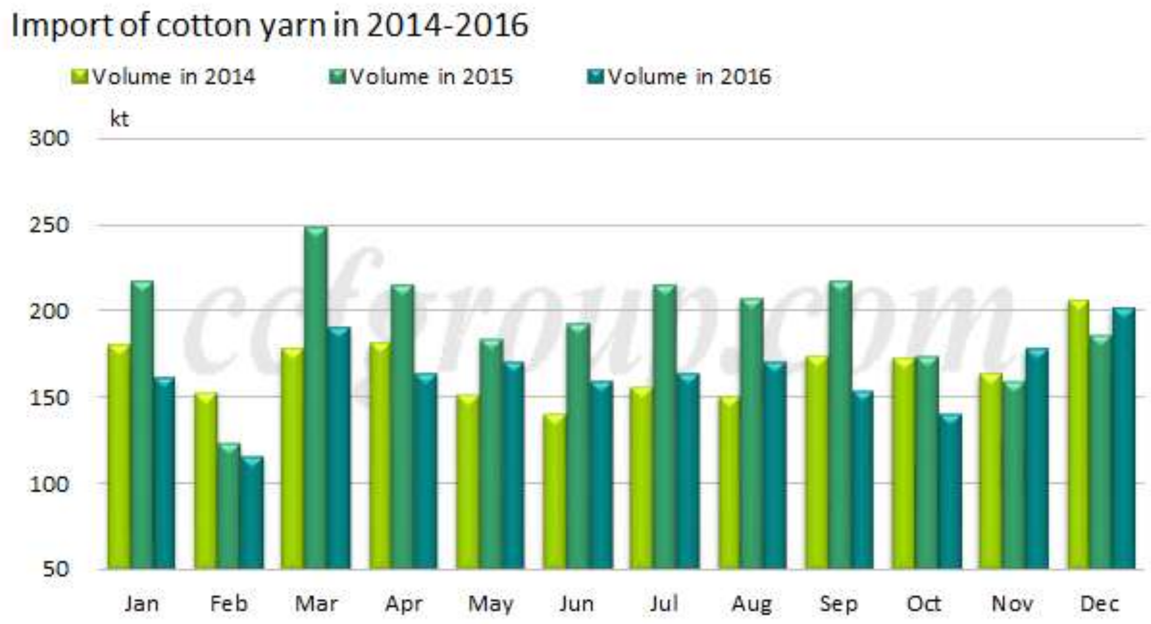
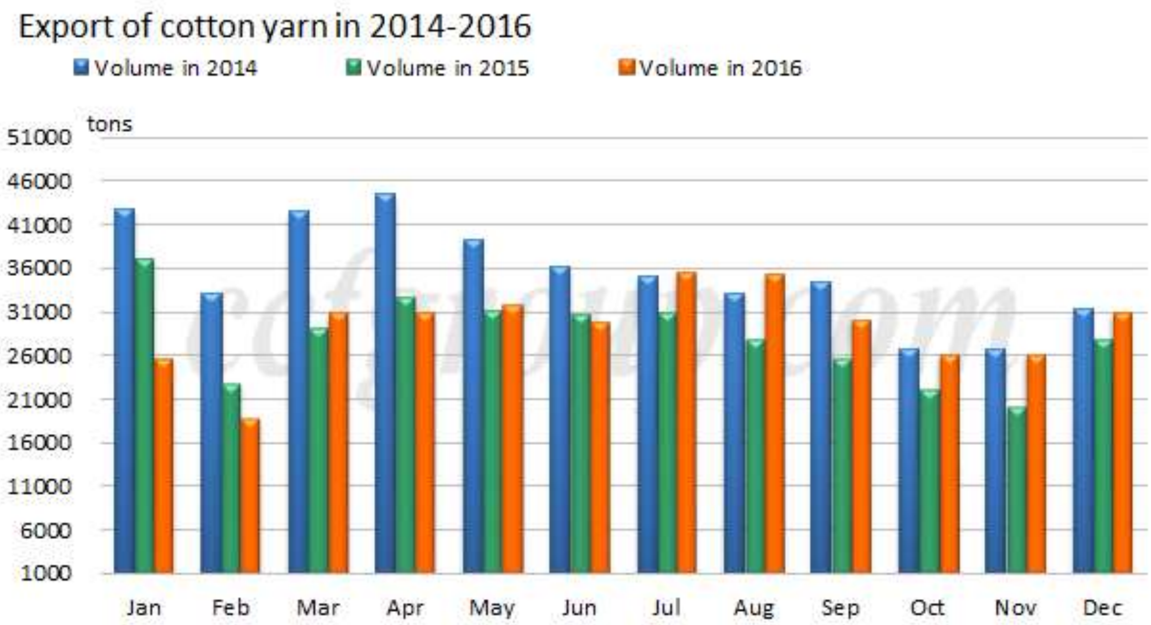
China: Cotton yarn imports down 15.9% y-o-y to 1.97 million tons in 2016

According to latest China customs, imports of cotton yarn amounted to 201.7kt in Dec 2016, up 8.29% y-o-y and 12.79% m-o-m respectively. Exports of cotton yarn in Dec totalled around 31.1kt, up 9.76% on the year and 17.96% on the month respectively.





Cotton yarn imports amounted to around 1.9723 million tons in 2016, down 15.9% compared with 2015, which was the first time below 2 million tons in recent three years. Cotton yarn exports increased 4% y-o-y to around 355.2kt in 2016.

Source: ccfgroup.com – Jan 20, 2017

HOME

****

USA: Walmart Promises Jobs 34,000 New Jobs in 2017

Donald Trump may have to take a number behind Walmart.

The President-elect has promised to be the biggest job creator ever but the Bentonville, Arkansas-based retail giant plans to put over a million Americans to work.

The company, which employs 1.5 million workers in the U.S., just announced plans to create 34,000 jobs in 2017. Walmart will also make investments in the careers of current employees, the textile industry at large and growing U.S. suppliers.

This announcement comes after the chain announced jobs cuts in September. At the time, the company said it would restructure, which meant eliminating 7,000 desk jobs from 4,600 of its U.S. locations. And just last week, rumors were swirling that jobs in its human resources department were on the chopping block.

The new opportunities will include 10,000 retail jobs in 59 new, expanded or relocated Walmart and Sam's Club stores as well as its e-commerce division. The opening and remodeling of these facilities will put another 24,000 people to work, the company estimates.

"Walmart is investing to better serve customers," said Dan Bartlett, Walmart executive vice president for corporate affairs.

"With a presence in thousands of communities and a vast supplier network, we know we play an important role in supporting and creating American jobs. Our 2017 plans to grow our business – and our support for innovation in the textile industry – will have a meaningful impact across the country."

In addition to expanding its workforce, the retailer is also investing in it. The company is expanding its training academies, which offer a six-week program through which supervisors and assistant store managers receive hands-on training in retail fundamentals, leadership and tips for running store departments.

By July, the ranks of the academies will increase from 40 to 200, serving 225,000 employees.

The company also reiterated its goal for creating jobs even beyond its walls. Through Walmart's previously announced commitment to purchasing $250 billion in American-made goods, the company estimates it will help create one million jobs by 2023.

Walmart is also taking a leading role in advancing sustainability and innovation in textile manufacturing by providing $3 million in grants to six universities through the U.S. Manufacturing Innovation Fund.

The universities, which include Washington State, North Carolina State, Texas Tech and the University of Massachusetts Lowell, will each have a different focus. Areas of research will comprise developing sustainable, cost-effective dyeing and printing of smart fabrics and creating a sustainable process to recycle cotton waste by fiber regeneration using a wet spinning technique.

Source: sourcingjournalonline.com – Jan 18, 2017

HOME

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Europe outlining strategies to enhance smart textiles sector

The two day ongoing 7th edition of Futex conference is being held in Lille, France which is dedicated to sharing ideas on interactive textiles for the sports, health and housing sector.

Speaking on the opening day of Futex 2017, the EC's Dr Andreas Lymberis discussed the key challenges in developing market-ready smart textiles within the EU.

Lymberis tod the delegates that the European Commission has really began its work in developing textiles for the future in the early 2000s.

Since then, they have invested a total of 44 million Euros into hundreds of smart textile prototypes and projects. But it is important to have a strategy in place to then bring these prototypes to the market.

Europe also needs to better address regulatory framework conditions such as product safety, certification and testing, because that will provide a clearer pathway between the lab and the shop floor.

However, it can often be difficult to implement such frameworks at a European level, so it's something they at the EC need to work on, he added. The European Commission (EC) to help improve the competitiveness of Europe's smart textiles sector has outlined a number of strategies.

It has been suggested that stronger regulatory frameworks for developing functional fabrics and more investment in lab-stage innovations will allow the

EC to compete with the US and Asian markets.

As the global wearables market is expected to be worth US$70 billion by 2025, Europe needs to tap into the growth path by investing more in innovation hubs and development clusters across the continent. This will help boost awareness and employment within the market.

Source: yarnsandfibers.com – Jan 19, 2017

HOME

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Vietnam Cotton/Yarn Import Export Increases In December

Vietnam cotton and yarn import export during the month of December surged on good demand.

Vietnam customs latest data revealed that the country's December cotton import totalled at 84,050 tonnes, up by 10 percent from last month, while import during 2016 stood at 1.03 million tonnes.

Similarly, Yarn imports marginally increased 1 percent at 79,114 tonnes compared to previous month. Whereas, the total imports for the year 2016 was pegged at 0.86 million tonnes.

On the export side, cotton yarn was higher by 6 percent at 106,785 tonnes compared to previous month. Major, yarn was exported to China at 31,009 tonnes.

VIETNAM STATISTICS						
MAIN IMPORTS	December-16		% Change M/M		Year To Date	
	Tons	Value (USD)	Tons	(USD)	Tons	Value (USD)
Cotton	84,050	146.60	9.8	11	1,034,046	1,662.66
Yarn	79,144	153.08	1.1	4	861,380	1,608.03
Fabrics		944.17		7		10,482.39
Textile, leather and foot-wear materials and auxiliaries		432.80		-3		5,066.70
MAIN EXPORTS	December-16		% Change M/M		Year To Date	
	Tons	Value (USD)	Tons	(USD)	Tons	Value (USD)
Yarn	106,785	272.48	6	3	1,167,071	2,929.57
Textiles and Garments		2,297.07		21		23,841.36
NOTE: Value in Million USD						

Meanwhile Vietnam imported 2,146 and 3,114 tonnes of cotton and yarn respectively from India in the month of October. The total import, up to date, was pegged at 93,119 tonnes of cotton and 25,788 tonnes of cotton yarn.

IMPORTS FROM INDIA						
MAIN IMPORTS	December-16			Year To Date		
	Tons	In Bales (170kg)	Value (USD)	Tons	In Bales (170kg)	Value (USD)
Cotton	12,090	71,118	19.73	107,099	629,994	155.79
Yarn	2,967	17,453	5.77	30,814	181,259	76.51
Fabrics			6.69			64.81
Textile, leather and foot-wear materials and auxiliaries			10.75			104.12
NOTE: Value in Million USD						

Source: commoditiescontrol.com- Jan 20, 2017

HOME

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Africa: Government relaxes ban on importation of second hand clothes

Government has relaxed ban on importation of second hand clothes, to allow for revival and reorganization of the textile and clothing industry before the policy can be force. Also at present, there is little alternative to second hand clothes as the local textile industry is struggling to produce.

According to Industry Minister Mike Bimha, the policy on banning second hands clothes is there, but cannot be enforced at present.

It's a policy that was made with the hope that when they begin to enforce it, they will have improved local production. They cannot ban something unless they do not have an alternative. People need to have an alternative if they have to ban importation.

They can only enforce when they believe that they have the capacity to make more or less the same as what they are importing. If they are unable to do, they might as well continue importing.

Government has made several attempts to ban the importation of second hand clothes but facing resistance from traders as clothes at flee markets are very cheap.

The government now has to revisit the textile and clothing industry to ramp production so that it is able to make quality clothes at reasonable prices.

The secondhand clothes have set up a countrywide network where clothes are paraded on the sidewalks and flea markets with items going for as little as a dollar. Dealers has argued that Government's decision to ban secondhand clothes was premised on the wrong assumption, as industry that was being protected was also importing clothes from South Africa, Zambia and Tanzania.

In August 2005, Finance minister Patrick Chinamasa announced the ban of second-hand clothes effective September 1 of that year to protect and allow the local industry to grow as it was being chocked by cheap imports.

Source: yarnsandfibers.com - Jan 19, 2017

HOME

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NATIONAL NEWS

Textile industry seeks 5% duty under GST

The textile industry wants a uniform duty of 5% under the Goods and Services Tax(GST), which is expected to be rolled out from July this year.

The Centre had announced special packages for the apparel sector in June last year and for made-ups (an article manufactured and/or stitched from any type of cloth, other than a garment) in December.

The industry was expecting a special package for powerloom sector to be announced shortly.

"We do not expect any major announcement in the budget," a spokesperson for the industry said.

Focus on GST

"The government has already announced packages for different segments of the industry. But the focus is on GST," the spokesperson said.

Till the GST is rolled out, "we hope there will be no changes in the optional CENVAT that is implemented now," said M. Senthil Kumar, Chairman, Southern India Mills' Association.

Lowest slab

The textile and clothing sector has sought the lowest duty slab of 5% without exemptions for any segment of the value chain, according to industry representatives.

About 60% of the Indian textile industry is cotton-based and 80% of textile and clothing exports are also cotton-based.

Source: thehindu.com- Jan 19, 2017

HOME

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Women should empower themselves first: Smriti Irani

Urging women to empower themselves, Union Textiles Minister Smriti Irani on Thursday said women should develop the habit of saving money for themselves in order to achieve financial security.

Irani, who was speaking at an interactive session on the topic 'Women and Wealth' here said, "Why not talk about 'women and savings' rather than 'women and wealth'."

"Usually, women think about her family before herself. She saves for her family. But, it is equally important to save for herself. Women should empower themselves before empowering others," she said.

At the event, which was organised by Young FICCI Ladies Organization, Irani urged experts to provide tips on saving for women from marginal income group.

She also emphasised on the need to have a registered will, so that no confusion prevails in future. "It is indeed awkward to ask your father or husband to have a registered will.

They may take it otherwise. But it is necessary to have such a will. Even I asked by my father once if he has made one. I believe that it is alright to ask to have such registered will," she said.

Irani praised the small women entrepreneurs for their commitment towards returning government loans. "Out of the 100 small-time women entrepreneurs, who took loan from us recently, 99 have returned it while one couldn't because of her death," she said.

The Union Minister, however, did not comment on the recent controversy surrounding her educational qualifications and other political developments.

Source: financialexpress.com – Jan 20, 2017

HOME

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Bombay Dyeing to open more stores in TN, expand distribution network

With the focus now on retail business, the 137-year-old textile manufacturer Bombay Dyeing and Manufacturing Company has big plans for Tamil Nadu.

Speaking to media persons, Nagesh Rajanna, Chief Executive Officer, Bombay Dyeing Retail, said the company plans to expand its distribution network in Tamil Nadu.

“Tamil Nadu accounts for about 7 per cent of total revenue from textiles and hence a huge market for us. We want to increase it to 10 per cent,” Rajanna said.

The company registered a revenue of ₹306 crore last fiscal. There are 25 company-owned Bombay Dyeing stores and franchises across nine towns in Tamil Nadu.

The company plans to increase it to 75 stores, which will be a mixture of company-owned and franchise model, across 40 towns in the State, by 2020. Rajanna said, “We will be entering 20 towns through franchises in the next one year.”

The company has a presence in 350 multi-brand textile stores in the State and plans to expand its foot print to 700 multi-brand textile stores in the next four years.

Source: thehindubusinessline.com- Jan 19, 2017

HOME

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Mills, traders buy bulk of cotton arrival

Of the 110 lakh bales that have arrived in the market so far, traders and textile mills are reported to have purchased around 94 lakh bales of cotton so far for the season of 2016-17.

Cotton rates have moved up to R5,200-R5,300 per quintal from R4,150 per quintal at the start of the month. MM Chokalingam, CMD in-charge of Cotton Corporation of India (CCI), says that CCI has not done much of kapas (raw cotton) purchase because prices have gone up and the commercial losses may not be compensated by the government.

The corporation, however, is going in for bale purchase to ensure supplies for its customers in the textiles industry. So far, around 15,000 bales have been purchased and the target initially was around 11-12 lakh bales, he said. CCI had commenced commercial purchase of cotton at the market rate from various parts of the country to ensure supplies for its customers in the textile industry.

The corporation had issued notices reaching out to buyers informing them that it will shortly commence e-auction of FP bales for the season 2016-17. CCI has been purchasing kapas from markets wherever the prices are lower, Chockalingam said, adding that the commercial purchase of up to 15 lakh bales would be mainly from the west, central and southern parts of the country as the prices in northern markets are ruling much higher.

Kapas prices are ruling between R5,000 to R5,200 per quintal in various markets. While the prices are expected to soften a bit from next month, most experts have ruled out a drastic fall.

The Centre had declared an MSP of R4,160 per quintal for the current season for the long staple fibre and R3,860 for the medium staple length. Besides protecting cotton growers' interests, CCI also caters to the needs of its customers such as the National Textiles Corporation and several co-operative mills. It also meets the demand of private sector mills, mainly during the lean season, by releasing the fibre from its stocks.

Over the last three-four years, CCI has stepped into the markets to protect farmers when the prices fall below the minimum support price (MSP) levels. But this year, cotton prices have been firm at the start of the season on account of lower arrivals.

The intent of the CCI is to ensure that this does not happen and keep prices uniform.

Instead, CCI will purchase some 15-20 lakh bales of kapas and make it available to the industry in times of need, he said.

According to Chokalingam, arrivals are still on the lower side since farmers are holding onto cotton in expectation of better prices. Already rates are in the range of R5200-5300 per quintal and farmers are getting the benefit.

“Majority of the purchases so far have been by textile mills. However, we do not expect rates to go up further since textile mills are already at a break even point and are unlikely to purchase at higher prices,” he explained, adding that once the mills stop purchase, rates are likely to come down.

NP Hirani, Chairman, Maharashtra State Cooperative Cotton Growers Federation however believes that rates are likely to cross the R6,000 per quintal mark soon.

Source: financialexpress.com – Jan 20, 2017

HOME

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IIGF to offer cost effective platform for SME exporters: Irani

Union Minister of Textile, Smriti Zubin Irani Wednesday said that the B2B (Business-to-Business) trade fairs like India International Garment Fair (IIGF) are the most cost effective platform for small and medium enterprise (SME) exporters to go global.

Speaking on the inauguration, Irani said, "Festivity in terms of trade had begun under the aegis of AEPC which is organising its 58th Fair. I congratulate the participants who have come here with a lot of hope, presenting their talent to the rest of the world."

"I am made aware that over 1000 buyers are coming to this fair today so that they can leverage the talent that India has to offer. My hope is that AEPC through these endeavours goes from strength to strength... small and medium enterprises which are new in the world of exports use these platforms which are comparatively cost effective," she added.

Apparel Export Promotion Council (AEPC), India, organised three-day long the 58th edition of India International Garment Fair (IIGF) on Wednesday in New Delhi.

Union Minister of Textile inaugurated the three day international fair, catering to Autumn- Winter 2017/ 18. The inauguration was done in the presence of dignitaries- Ajay Tamta, Hon'ble Minister of State for Textiles; Rashmi Verma, IAS, Secretary (Textiles), Ministry Of Textiles; Subrata Gupta, Joint Secretary, Ministry of Textiles amongst many others.

Speaking on the occasion Ashok G Rajani, Chairman, AEPC said, "India's RMG export to World during April-December of 2016-17 witnessed a decline of 0.2% compared to the same period in the previous financial year.

The market sentiments have been affected due to delays in roll out of special package which was announced for the apparel sector in June 2016 and stagnation in the Europe and US markets."

"We are expecting the 58th IIGF to bring in double digit growth in the Indian export market, bringing in optimism amongst exporters", added Rajani.

Lalit Thukral, Chairman Exhibition Advisory Committee, AEPC said, "We are expecting participation from nearly 1100 national and international buyers and buying houses at IIGF. Buyers attending the Fair are expected to visit for immediate sourcing requirements and deliveries. This scenario will immensely benefit manufacturers with capacities prepared to deliver at a short notice."

1081 buyers have confirmed from 94 countries across the world. Buyers from Europe, The United States of America, United Arab Emirates, Canada, Australia, Brazil, Chile, Uruguay, Argentina, Hong Kong, Japan, Korea, Malaysia, Russia, Saudi Arabia, Singapore, South Africa amongst many others are participating in the event.

Fourteen states from India viz. Delhi-NCR, Rajasthan, Maharashtra, Uttar Pradesh, West Bengal, Haryana, Tamil Nadu, Punjab, Gujarat, Karnataka to name a few are participating. A total of 312 participants are showcasing women's wear, accessories, kid's wear and men's wear.

The 58th IIGF aims to be one of the largest platforms in Asia where overseas garment buyers can source and forge the business relationship with India's finest in Apparel and Fashion Accessories domain.

Source: smetimes.in - Jan 19, 2017

HOME

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Lakme Fashion Week S/R 2017: It's all about promoting creativity, diversity

In its 18th year, Lakmé Fashion Week (LFW) on Wednesday unveiled its line-up of shows, designers and creative presentations and concepts — which promote creativity and diversity — in a digital curtain raiser for its Summer/Resort 2017 edition on its social media portals.

Going live on Facebook from JioGarden here, designer Manish Malhotra, Purnima Lamba (Head of Innovation, Lakmé) and Jaspreet Chandok (Head – Fashion at IMG Reliance) began the reveal for the season and spoke of how the event will be bigger and better as its location moves to the iconic JioGarden at Bandra Kurla Complex here.

Names like Anita Dongre, Tarun Tahiliani, Monisha Jaising, Narendra Kumar, Ritu Kumar, Rajesh Pratap Singh, Abraham & Thakore, Aneeth Arora, Falguni Shane Peacock, Payal Singhal, amongst others, will showcase their creations as part of the gala from February 1 to 5.

The organisers promise attendees an experience of inclusivity, diversity, creativity, technology and fresh energy, read a statement from the organisers, who also said that five fresh faces were shortlisted from the auditions to walk the ramp this time. These include Anjali Lama, a Nepali transgender model.

International talent at LFW includes Petr Nitka, the first gender neutral model; Varsha Thapa, supermodel who has walked international runways, and International make-up artist and LFW's official make-up expert Donald Simrock.

Dongre will be the grand finale designer. For the show, she has created a couture line fusing a variety of styles, silhouettes and designs which are global chic. It is inspired by Lakmé's beauty statement for the season, 'Liquid Glow'.

"Anita Dongre was an organic choice to bring to life the Liquid Gold statement through her intricate design," Lamba said in a statement.

The opening show will be unique as Monisha Jaising will showcase her creations on a luxury cruise liner, Costa neoClassica.

LFW, which serves an experimental space through its 6 Degrees Studio segment, will have 'Studio' to focus on conceptual themes in fashion such as art, sustainability, theatre and more.

Emerging designers such as Naushad Ali, Jayanti Reddy, Gaurav Khanijo, Sohaya Misra and Paridhi Jaipuria will be showcasing their collections as part of this, while others like Dev R Nil, Savio Jon, Sanjukta Dutta and Mandeep Nagi will participate in this space with their individual artistic initiatives.

The Gen Next show, in association with International Institute of Fashion Design (INIFD), will see five labels making their debut.

The event will also promote sustainable fashion, as well as observe Indian Textile Day. It will pay tribute to the rich heritage of Indian handwoven luxury. There will be a show by IMG Reliance Ltd dedicated to Kutch artisans, and AJIO.com will present a show called Sustainable Man.

Source: indianexpress.com- Jan 18, 2017

HOME

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Gujarat cotton demand in Tamil Nadu drops; ginners of adulterating commodity

Textile mills in Tamil Nadu have drastically cut back their cotton procurement from Gujarat, which had long been a hub for premium cotton, in favour of states like Telangana and Maharashtra, in the wake of increased adulteration with substances like comber noil and other cotton waste by Gujarat's ginners.

The Southern India Mills' Association (SIMA) has also written to the Union textile ministry, seeking intervention in this regard. "Till the year before last, Tamil Nadu's mills used to procure about 50-60 lakh bales from Gujarat alone.

Last year, owing to adulteration, procurement was reduced by almost 60% and shifted to other states. This year, we are seeing a similar trend. Probably the practice of adulteration is only followed by 10% of ginners in Gujarat, but as an association, we are worried about farmers in Gujarat. If prices drop because the products are not quality-compliant, what will the poor farmers do," said K Selvaraju, secretary general of SIMA.

Interestingly, the prices for cotton waste like comber noil, which is used in large quantities for currency printing and medical textiles, have also seen an increase over the last couple of months. From R60 per kg in October, cotton waste is now sold at R80 per kg. Several mills in Tamil Nadu allege this is due to increased demand by ginners in Gujarat, who are looking to mix the waste with virgin cotton. More than 50% of the cotton used by mills in Tamil Nadu are from Gujarat.

Selvaraju said: "Tamil Nadu's mills consume about 120 lakh bales of cotton annually, but only five to six lakh bales are produced by the state. The Tirupur cluster alone requires 60 lakh bales, most of which is sourced from Gujarat. Last year, we had committed to the government that we would bring 20 lakh bales of cotton from Gujarat to Tamil Nadu through coastal shipping.

However, not even one third of that quantity was procured by coastal shipping due to bad quality of the cotton. Many of the larger mills, which each require about six lakh bales of cotton, shifted their procurement to Telangana and Maharashtra. This year also, many of our members have said that they will shift to other places."

Meanwhile, ginners in Gujarat are not worried about Tamil Nadu's mills shifting of purchase orders. Speaking to FE, Dilip Patel, president of All Gujarat Ginners' Association, said: "Only about 20% of cotton produced in Gujarat is sent to mills in south India. Earlier, the demand was more but now the consumption by local mills has increased along with export orders. By later this year, about 40 lakh spinning units are expected to come up in Gujarat alone, which will increase the state's consumption to 65 lakh bales."

According to Patel, Gujarat's Textile Policy 2012, which lapses in September this year, has given a great push to the local market. Patel added: "Adulteration is prevalent in Gujarat, but local mill owners know who to buy it from. So, most people don't face problems during purchasing. This year, the quality is lowered and the prices are subsequently lower as well. However, the problem is not unique to Gujarat. Even in Maharashtra, people are now beginning to mix waste with the raw cotton."

According to data on the website of the Cotton Corporation of India, Gujarat accounted for production of 94 lakh bales, with a yield of 588 kg per hectare on an area of 27.19 lakh hectare in 2015-16. For the year 2016-17, the production is projected at 95 lakh bales, with a yield of 673 kg per hectare on an area of 24 lakh hectares. SIMA is keen to work with Gujarat's ginners as a team and curtail the adulteration, rather than shift from the state.

"The adulteration in quality cotton pulls down the image of the state. We can omit those traders and mills who mix waste to good cotton, and deal only with the scrupulous ginners.

The government and the ginners' association should work together to find a common resolution," it said.

Source: financialexpress.com- Jan 20, 2017

HOME

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Peeved EU delays talks on FTA with India

The European Union is keeping India guessing on its intention to resume talks on the proposed two-way free trade pact.

This is a possible indication of EU's unhappiness over India's refusal to extend the existing bilateral investment treaties (BIT) with the region beyond their expiry dates.

More than a month after the Commerce Ministry sought dates to re-start the stalled negotiations, there has been no communication from the EU Trade Commissioner's office on the matter, a Commerce Ministry official told *BusinessLine*.

"There is complete silence from the EU's side on resuming the negotiations despite Commerce Minister Nirmala Sitharaman seeking dates from the EU. It has been more than a month," the official said.

Last year, New Delhi had asked all countries with which India has investment protection agreements, including the EU, to re-negotiate those pacts on the basis of the new draft text of BIT.

The draft text has been designed by the Finance Ministry to avoid a string of litigations that India has been facing over the last few years from global companies, but it has not gone down well with partner countries.

The EU did not get into negotiations with India to replace the existing individual BITs that the member countries individually have with India (which have already started expiring) with a single treaty encompassing the entire bloc, and is now feeling the pressure.

"The EU said that the existing BITs should be extended till a new one is in place and it should precede the rest of the FTA being negotiated with India. The Finance Ministry refused to extend the treaties and now the EU is upset," the official said.

New Delhi has communicated to Brussels that the proposed FTA — formally known as the Broad-based Trade and Investment Agreement (BTIA) — should be negotiated fast and as a BIT would also be part of the broad pact, it would sort out the problem at hand.

Negotiations on the FTA have been stuck for the past few years due to disagreement between the two sides over issues such as lowering of import duties on automobiles and alcohol by India and recognition of India by the EU as a 'data-secure' country.

"It seems that the EU is communicating to India its unhappiness with the arrangement on the BIT by delaying a response to our request on negotiating dates for the FTA talks," the official said.

The most contentious issue in the model BIT is the proposed Investor-State Dispute Settlement Mechanism as it allows companies to seek international arbitration only when all domestic legal options have been exhausted.

The removal of taxation from the purview of BITs has also come in for criticism from foreign partners.

Sitharaman recently said that the countries which fail to re-negotiate investment protection agreement by April 1, 2017, will not get any benefit under any treaty.

There will be hiatus between the old agreement and the new one whenever that comes into place, which means that investors won't have any additional protection.

Source: thehindubusinessline.com- Jan 20, 2017

HOME

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Better services can cut transport, logistics costs: CII study

Transport and logistics costs for the trade can be reduced by as much as 38-47 per cent if the "indirect and hidden" costs of trade that accrue from delays and unreliable transportation services were curtailed, said a CII study.

The study was based on four sectors – pharmaceuticals, textiles and garments, electronics and auto components.

Regulatory documentation related to exports and imports, terminal handling and inland transportation and export (from ICDs to ports) emerged as the top three challenges, based on the response of 66 companies with CII membership.

Government officials, while, admitting the challenges, said it was important for the private sector to take steps that will "help government address the issue of non-compliance". "Any regulation is designed keeping in mind whether trade generally is compliant or non-compliant," said L Satya Srinivas, Joint Secretary - Customs.

Today while government is designing rules with an understanding that more than 90 per cent of trade is generally compliant, it needs help from the private sector in ensuring compliance.

Calling for "all compliant" trade to come forward, Srinivas said the government was planning a mechanism which will allow users to have pre arrival clearance, which will lower costs. He hoped that trade will adopt the direct port delivery procedure, which enables lower processing time at ports.

Meanwhile, Julian Michael Bevis, Senior Director, Maersk Group, said that he supported the direct port delivery procedure.

Rajeev Kumar, Secretary, Shipping Ministry, cited the example of a company in the trucking sector that has improved its efficiency by devising a strategy that helps improve the quality of life of its drivers.

Source: thehindubusinessline.com- Jan 20, 2017

HOME

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Handicrafts exports rise 8.3% to $ 2.67 bn overall textile & garment sector trend

Handicrafts exports rose 8.3% in the April-December period of this fiscal year to $2.67 billion from a year ago, outperforming the overall textile and garment sector that has seen a fall in recent months, show data compiled by the Export Promotion Council for Handicrafts (EPCH).

"Usually the last quarter sees a lot of handicraft exports. So, we expect the target of $3.60 billion (which represents a just over 10% rise from 2015-16) for the current fiscal year to be just about achieved," said EPCH executive director Rakesh Kumar. The export data for handicrafts exclude carpets and gems and jewellery.

Handicrafts exports could rise to almost $4 billion in 2017-18, recording an over 10% rise over the current fiscal year, said Kumar. Considering that exports in the overall textile and garment sector (of which handicraft is a part) have witnessed a contraction in recent months, the performance of this segment is noteworthy.

Even the country's overall merchandise exports during the April-December period saw only a marginal rise of 0.75% to $198.8 billion from a year earlier.

Attractive designs, quality products and aggressive promotion have been instrumental in boosting handicrafts exports in recent years, Kumar said.

"Apart from sustaining and further consolidating our position in key markets like the US and the EU, we are trying to bolster our presence in relatively new markets like Latin America, over a dozen countries in the CIS regions, and Japan to step up exports in the coming years," Kumar said.

Hit hard in the immediate aftermath of the global financial crisis in 2008, India's handicrafts exports bounced back in recent years, as outbound shipments more than doubled over the last five years through 2015-16, exceeding the growth in the country's overall merchandise exports. In the rupee term, handicraft exports almost tripled to R20,368 crore between 2010-11 and 2015-16.

Analysts said while overall merchandise exports continue to suffer in recent years due to gloomy external environment, the handicraft segment has bucked the trend despite the fact that the US and the EU account for more than a half of India's handicraft supplies and commodity prices have slid globally.

In fact, the handicrafts exports started to rebound after 2010-11, albeit on a relatively smaller base, just two years after the sub-prime crisis, despite a fragile recovery in these nations.

Handicrafts exports have consistently exceeded the target set by the government in each year since 2009-10, while overall merchandise exports growth target continues to falter.

While agriculture was among the segments that witnessed high export growth rate in recent years, it witnessed a contraction in the last two years, partly due to a massive plunge in global commodity prices.

Source: financialexpress.com- Jan 20, 2017

HOME

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